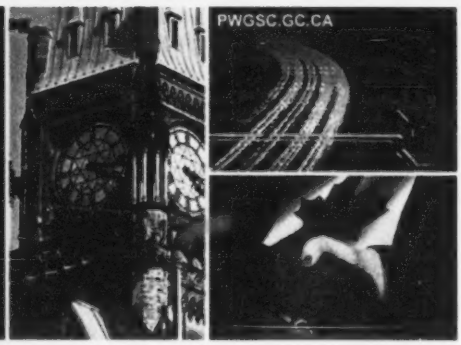
PUBLIC WORKS AND GOVERNMENT SERVICES CANADA

DEPARTMENTAL PERFORMANCE REPORT



2006 – 2007 ESTIMATES

The Honourable Michael M Fortier
Minister of Public Works and Government Services
Receiver General for Canada

Public Works and Government Services Canada

Travaux publics et Services gouvernementaux Canada

Canada

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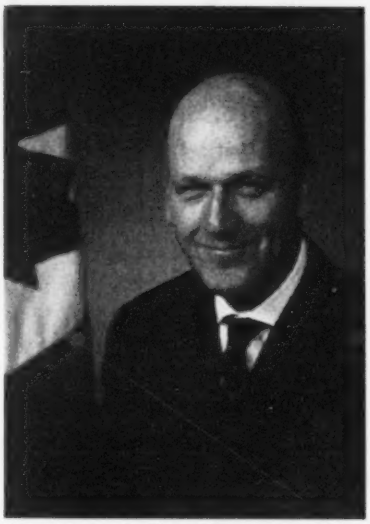
MINISTER'S MESSAGE



I am pleased to present Public Works and Government Services Canada's *Departmental Performance Report* for the period ending March 31, 2007.

During the past fiscal year, my department continued to make important progress on our business transformation and to improve our management practices.

In procurement, we pursued our efforts to simplify the way we buy goods and services to make it easier for Canadians and the private sector to do business with the government. We introduced new standing offers for goods and services most commonly purchased by the Government of Canada. My department also supported critical military procurement including the award of an $869 million contract for the acquisition of four C-17 aircraft, which was completed within eight months following the announcement of the project.

In real property, we began to move towards a corporate real estate model to align ourselves with industry best practices and help us manage the government's real estate portfolio more strategically. With the assistance of leading industry experts, we assessed cost-effective options for accommodating federal departments. This led to our recent announcement about the sale of nine buildings across Canada. Also, we furthered our work on the Ontario:Quebec 75/25 distribution ratio. This resulted in the release, in May 2007, of a request for information for the development of new office space in Gatineau, Quebec.

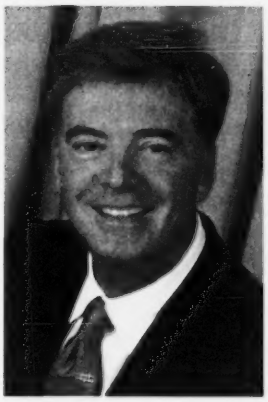
To directly support the *Federal Accountability Act* and Action Plan's commitment to promoting fairness, openness and transparency in the procurement process, an independent advisor was appointed to review the government's public opinion research. As well, we completed the process leading to the appointment of a Procurement Ombudsman Designate. Finally, the rules governing public opinion research across government were amended. As a result, federal departments and agencies are now legally required to make public, within six months of the completion of fieldwork, their written public opinion research reports obtained under contract.

As the government-wide centre of expertise for greening government operations, my department provided leadership for initiatives such as the clean-up of contaminated sites, energy efficient buildings, and green procurement.

Once again, my department has demonstrated over the past year an unwavering commitment to strengthening accountability and transparency.

The Honourable Michael M Fortier

MANAGEMENT REPRESENTATION STATEMENT



I submit for tabling in Parliament, the 2006-2007 *Departmental Performance Report* (DPR) for Public Works and Government Services Canada.

This document has been prepared based on the reporting principles contained in the *Guide for the Preparation of Part III of the 2006-2007 Estimates: Reports on Plans and Priorities and Departmental Performance Reports*:

- It adheres to the specific reporting requirements outlined in the Treasury Board Secretariat guidance document;
- It is based on the department's Strategic Outcomes and Program Activity Architecture that were approved by the Treasury Board;
- It presents consistent, comprehensive, balanced and reliable information;
- It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and
- It reports finances based on approved numbers from the Estimates and the *Public Accounts of Canada*.

Having recently been appointed as Deputy Minister, my department is committed to continuous improvement, building on the results of 2006-2007. We will be focusing on the fundamentals of service delivery with people dedicated to excellence, while continuing with the implementation of our business transformation agenda.

François Guimont
Deputy Minister of Public Works and Government Services

DEPARTMENTAL OVERVIEW

Summary Information

The mandate of Public Works and Government Services Canada (PWGSC) is to ensure optimum value to Canadians and the government in the provision of common, central and shared services. Through the delivery of our services, we enable other government departments and agencies to provide their programs and services to Canadians.

PWGSC is the government's manager of office space and provider of real estate services. We are its central purchasing agent, banker and accountant. We provide services in the areas of payroll and pensions, information technology, linguistic services, audit, communications and consulting. In addition, we lead e-Government and greening of government initiatives. We directly service Canadians as the Receiver General, sending Universal Child Care Benefit cheques and Goods and Services Tax (GST) refunds to citizens.

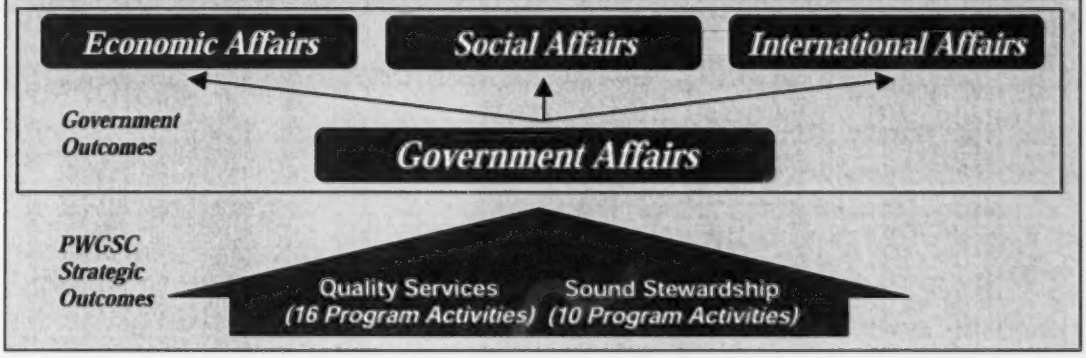
Canadians, in Canada and abroad, benefit directly and indirectly from our services. PWGSC has two strategic outcomes, Quality Services and Sound Stewardship, with 28 program activities. Our ongoing operations support the Government of Canada's outcomes related to Economic, Social, International, and Government Affairs spending areas. (See Canada's Performance 2007 at http://www.tbs-sct.gc.ca). Under the Treasury Board Secretariat's (TBS) whole-of-government framework, PWGSC contributes to all of the Government of Canada's outcomes by providing services to government departments and agencies (See Figure 1).

PWGSC Business Highlights*

- Accommodated 241,000 federal employees in 6.8 million square metres of space in roughly 1,800 locations.
- Administered annual payments in excess of $460 million under the Payments in Lieu of Taxes Program to approximately 1,300 local taxing authorities.
- Purchased roughly $12 billion worth of goods and services, and also managed about 60,000 transactions.
- Provided $168 million in telecommunications and informatics services.
- Provided 130 federal government services online with over 5 million epasses for online credentials used in accessing government services.
- Handled $1.5 trillion in Receiver General cash flow, involving 252 million payments in 150 countries.
- Administered compensation for 307,000 government pay accounts and 332,000 pensioner accounts.
- Prepared the *Public Accounts of Canada* for 175 federal departments and agencies.
- Translated 1.5 million pages at 60 service centres.

**Sources: Departmental databases, Acquisitions Performance Management Report, Government On-Line 2006 Report, Translation Integrated Ordering System.*

Figure 1 Linking PWGSC to Government Outcomes



Summary of Resources and Performance

Figure 2: Summary of Planned and Actual Spending

Program Activities are organized by Strategic Outcome: Quality Services & Sound Stewardship (in millions of dollars)

	2005-2006	2006-2007			
	Actual	Main Estimates	Planned Spending	*Total Authorities*	Actual
GOVERNMENT SERVICES PROGRAM					
Operating, Capital, Grants and Contributions and Statutory Votes					
Quality Services (16 Program Activities)					
Federal Accommodation and Holdings	1,647.2	1,890.4	2,237.9	*1,891.5*	1,728.3
Real Property Services Revolving Fund	-	-	-	-	-
Real Property Disposition Revolving Fund	(3.0)	(8.0)	(8.0)	*(8.0)*	(6.1)
Acquisition Services	180.2	152.2	154.4	*167.2*	169.5
Optional Services Revolving Fund	(1.4)	-	-	-	(0.9)
Defence Production Revolving Fund	-	-	-	-	-
IM/IT Services	282.1	143.5	143.2	*263.3*	259.0
Telecommunications Services Revolving Fund	4.0	-	-	-	(6.8)
Receiver General Services	7.1	9.0	8.8	*6.6*	7.3
Public Service Compensation Services	1.5	1.8	1.7	*2.0*	1.9
Government Information Services	49.5	32.9	32.3	*31.7*	30.8
Business Integration Services	15.9	10.2	10.0	*16.9*	15.5
Consulting and Audit Canada Revolving Fund	(0.4)	(0.4)	(0.5)	*(0.5)*	(0.5)
Translation and Interpretation to Parliament, Conference Interpretation, Terminology	51.4	52.3	51.9	*57.1*	58.2
Translation Bureau Revolving Fund	(9.2)	-	-	*6.0*	4.6
Office of Greening Government Operations Services	-	-	-	-	-
Total Quality Services	2,224.9	2,283.9	2,631.7	*2,433.8*	2,260.8
Sound Stewardship (10 Program Activities)					
Real Property Stewardship	57.1	34.1	33.7	*54.9*	51.3
Supply Operations Stewardship	52.4	39.7	39.1	*87.9*	64.4
IM/IT Stewardship	11.3	12.8	9.8	*14.2*	14.2
Receiver General Stewardship	116.3	127.4	126.9	*137.8*	128.0
Public Service Pay Stewardship	28.3	27.9	27.7	*33.2*	31.9
Public Service Pension Stewardship	19.2	20.0	20.2	*25.2*	23.3
Government Information Stewardship	10.0	18.5	18.1	*18.6*	20.3
Business Integration Performance Management	6.1	5.3	5.4	*6.1*	6.1
Translation Stewardship	2.5	2.4	2.5	*2.4*	2.4
Office of Greening Government Operations Stewardship	-	1.3	1.3	*2.1*	0.7
Total Sound Stewardship	303.2	289.4	284.7	382.4	342.6
Gross Expenditures	4,850.2	4,579.2	4,922.3	5,108.5	5,031.2
Less: Respendable Revenues	2,322.1	2,005.9	2,005.9	2,292.3	2,427.9
DEPARTMENT TOTAL	2,528.1	2,573.3	2,916.4	*2,816.3*	2,603.4
Less: Non-Respendable revenues	67.4	21.5	21.5	22.8	63.8
Plus: Cost of services received without charge	53.5	37.9	37.9	*38.3*	60.2
NET COST OF DEPARTMENT	2,514.2	2,589.7	2,932.8	*2,831.8*	2,599.8
FULL-TIME EQUIVALENTS (FTEs)	12,483	12,043	12,502	*12,626*	12,338

Please note that this financial table has not been audited. Totals may not add up due to rounding.

Note: PWGSC's Program Activity Architecture has 26 Program Activities organized by two Strategic Outcomes. The overview can be found on page 11. The two additional program activities of Corporate Management and Business Integration Client Relations Management are not shown in the table above because, for Treasury Board Secretariat's financial reporting purposes, their costs have been re-allocated to the other program activities.

Figure 3 Summary of Performance Results 2006-2007

Key Planned Results[1]	Actual Performance Results	Status
Real Property • Five-year savings of $1.025 billion with $150 million in 2006-2007. • Issue a request for proposal for Financial Advisory Services to provide private sector recommendations to address challenges facing the management of Crown-owned real estate. • Continuing work on the Long-Term Vision and Plan for the Parliamentary Precinct (Phase I). • Rigorously apply space and fit-up standards. • Continue to implement the National Capital Area Accommodations Strategy of a 75/25 distribution ratio for Ontario and Quebec. • Increase efficiency in overhead management.	• Budget reductions of $151 million in 2006-2007; $134 million of efficiencies within PWGSC and $17 million attributable to organizations that reimburse us for services. • Awarded a competitive contract to two financial groups to identify cost-effective options for accommodation related to 40 government office buildings. Cabinet approval was given for the sale-leaseback of nine assets. • Library of Parliament restoration was completed and West Block renovation began. • Average space per employee reduced from 21.4 square metres to 19.7 to contribute to planned savings. • Expect to reach the distribution ratio of 75/25 by 2010 and created a Gatineau-specific strategy to increase office space in Quebec by 120,000 square metres. • Continued to take full advantage of efficiencies and reduced overhead while maintaining a satisfactory level of service delivery.	Met most expectations (See pages 13-20 for details)
Acquisitions • Procurement savings of $204 million in 2006-2007. • Continue development of the Government of Canada Marketplace (GoCM). • Establish a Procurement Ombudsman. • Introduce a *Code of Conduct for Procurement.* • Develop a new vendor performance policy. • Facilitate and ensure the participation of Small and Medium Enterprises in government procurement. • Establish Interdepartmental Commodity Councils.	• Achieved procurement savings of $225 million in 2006-2007. • GoCM received Effective Project Approval from Treasury Board in June 2006 and was released in December. • Supported the development of the Office of the Procurement Ombudsman. • Introduced a draft *Code of Conduct for Procurement* in February 2007. • The policy was drafted and is expected in February 2008. • PWGSC expanded the Office of Small and Medium Enterprise, opening new regional offices in Halifax, Montréal, Toronto, Edmonton, Vancouver, and Ottawa. • Established 10 commodity councils, 34 commodity strategies and 24 commodity teams.	Met most expectations (See pages 21-28 for details)
Information Technology Services • Explore the advantages of creating dedicated IT Shared Services (IT-SS). • Shift from a departmental approach for IT to a government-wide approach to reduce duplication, lower costs and improve quality and use of data. • Increase the proportion of IT shared services in both IT infrastructure services, and, external service channels for Canadians.	• The IT-SS proof of concept project undertaken. Spending totalled $4.9 million in 2006-2007 and the current estimated total cost is $10.5 million for 2007-2008. • Launched the Identification, Qualification, Transition and Transformation process. This was started with six partner departments and agencies. • The product catalogue now contains 62 shared services; a product maturity index will be used to further assess the readiness of these services.	Met most expectations (See pages 29-33 for details)
Receiver General and Public Service Compensation • Continue the implementation of direct deposit. • Introduce a new cheque format as part of Receiver General Settlement Streamlining and start testing with financial institutions. • Replace 40-year old pay and pension systems to modernize PWGSC's compensation function. • Create and implement, from 2005 to 2012, a multi-plan solution that will replace outdated systems and business processes and enable PWGSC to provide best practice pension services to both active and retired plan members. • The centralization of the pension services, supplied by compensation advisors in over 100 departments and agencies, to provide savings, administrative efficiencies and improved services.	• In 2006-2007, direct deposit participation levels increased by 3%, creating savings in processing and paper. • A new cheque was developed to the industry-wide standard, offering increased security, simple management and printing, with testing in 2007-2008. • The Pay Modernization Project to renew pay administration processes was given preliminary approval in March. • Since receiving Preliminary Project Approval for pension modernization, 16 key business processes have been defined and the business transformation strategy has been developed. The cost estimates have been validated by two external audits. • Pension centralization is progressing, consolidating the delivery within PWGSC. Centralization of the retirement planning information sessions was completed, adding to centralized Pension Benefits and Pension Transfers.	Met all expectations (See pages 34-40 for details)
Consulting, Information and Shared Services • We will begin implementing a system to measure Government Information Services performance in terms of client satisfaction to identify opportunities for improvement.	• Completed a client satisfaction survey in 2006-2007 for communications services indicating satisfaction ratings ranging from 77% to 97%. The survey also found 90% of Canada Pavilion visitors increased their awareness of government services.	Met most expectations (See pages 41-46 for details)

[1] The information above is a summary of performance highlights for 2006-2007. Performance reporting against PWGSC's Program Activity Architecture is presented in Section II.

Key Planned Results	Actual Performance Results	Status
• Implement Public Opinion Research and Advertising Coordination (PORAC) management improvements which also addresses the Auditor General's audit on the quality of surveys by: establishing an expert technical advisory panel; conducting a study to improve the quality of public opinion research; and providing contracting process tools that will be developed and made available to departments. • The *Canada Gazette* will launch an interactive online tool to enable students to further their knowledge of the democratic process.	• In response to the November 2005 Auditor General's Report, Chapter 2, *"The Quality and Reporting of Surveys"*, PORAC created an advisory panel on telephone survey quality and completed a report to guide the development of new contracting tools and publishing of annual reports for PORAC. • Initiated a pilot project to gauge the feasibility of and interest in an interactive online tool to educate future Canadian voters, and *Canada Gazette* will now partner with Library and Archives Canada to develop a fully digitized, indexed online research tool.	Met most expectations (See pages 41-46 for details)
Business Integration • Industrial security programs and services will focus on increasing productivity by modernizing and streamlining operational activities.	• Streamlined services: 85% of security requirements checklists were processed within 21 days and 98% of new or renewal registrations for the Controlled Goods Program were processed within 30 days.	Met some expectations (See pages 47-50 for details)
Consulting and Audit Canada • In October 2005, Treasury Board (TB) announced the realignment of Consulting and Audit Canada's (CAC) services to reinforce the internal audit function within government and transfer Government Consulting Services (GCS).	• In response to the TB decision, CAC was divided into two: Audit Services Canada (ASC) and GCS. Both ASC and GCS continued to provide their services on a fee-for-service basis throughout 2006-2007, achieving over 90% client satisfaction.	Met most expectations (See pages 51-54 for details)
Translation Bureau • Streamline costs through new tools and reduced accommodation costs to pass on a 17% rate reduction for administrative work by April 2006. • Speed up the implementation of the new business model by dedicating translators to clients or relocating them to work in "translation boutiques". • Represent Canada nationally and internationally at language forums and in standardization networks and committees such as the International Organization for Standardization (ISO). • Pursue its workforce renewal programs in interpretation, terminology and translation in specialized and critical sectors. • Launch a new version of TERMIUM® to enable client departments and agencies to store, standardize and update their specific terminology.	• As of April 1, 2006, the rate charged for administrative translation was reduced by 17%. • Accelerated the implementation of the new business model assigning 47 on-site translators and designating 243 dedicated translators to serve clients better. • Attended meetings of the ISO in Beijing and helped develop new international standards. We obtained the authorization of the European Association for Terminology to hold the 4th World Terminology Summit in Gatineau in October 2008. • Produced brochures and promoted the language industry in colleges and secondary schools. We also maintained our partnership with the University of Ottawa, notably with respect to the master's degree in interpretation. • Continued developing the next generation of TERMIUM®, which will help client departments and organizations store and update their own terminology.	Met most expectations (See pages 55-60 for details)
Office of Greening Government Operations • Partner with TBS to further refine the government-wide Performance Management Framework (PMF) for greening government operations. • Support and monitor the implementation of government-wide policies on greening of operations, such as the *TB Policy on Green Procurement*. • Lead interdepartmental steering groups for greening government operations, to address and manage key operational areas.	• The Office of Greening Government Operations (OGGO) worked with TBS and Environment Canada to help refine the PMF for OGGO. • In 2006-2007, OGGO helped with the government-wide implementation of the *Policy on Green Procurement* by developing training and tools in cooperation with colleagues. Green procurement training is now provided at the Canada School of Public Service and online via *Campus Direct*. • OGGO played a lead role in coordinating the activities of six interdepartmental steering groups and a Federal-Provincial-Territorial Sub-committee on Sustainable Development.	Met most expectations (See pages 61-66 for details)
Corporate Management • Hire ethics officers in every branch of every region, link accountability with integrity and performance pay and expand ethics training throughout the department. • Manage government actions associated with the former Sponsorship Program through the financial recovery of frauded funds, paying legal fees and assisting investigations.	• Advanced the Ethics Program: established an Ethics and Risk Committee to train all officers in positions at risk, gave ethics and values orientation to new employees, presented 123 ethics training sessions (56 in the regions) and evaluated and improved the Introduction to Ethics course content. • Continued recovering funds from 28 defendants. We are supporting and ensuring full transparency concerning activities related to criminal trials and the recovery of funds.	Met most expectations (See pages 67-72 for details)

Overview of Departmental Performance

Our Report on Plans and Priorities, 2006-2007, set out priority areas for strategic change to guide our work and to ensure continued best value to government and Canadians.

Our performance results for 2006-2007 reflect many challenges and accomplishments in the following strategic priorities:

- Strengthening Accountability and Transparency;
- Transforming Our Business;
- Delivering Projects of National Importance; and
- Supporting the Government's Strategic Agenda.

Strengthening Accountability and Transparency

In 2006-2007, PWGSC continued to improve management practices, strengthening accountability and transparency.

On December 12, 2006, the *Federal Accountability Act* became law. The implementation of the *Federal Accountability Act* and its related Action Plan was of particular importance to PWGSC. We played a significant role in the areas of procurement reform and public opinion research management and controls.

PWGSC supported the development of the Office of the Procurement Ombudsman to review procurement practices as well as complaints concerning government contracts and contract administration, and also be responsible for ensuring the availability of a Contract Related Alternative Dispute Resolution Program. A Procurement Ombudsman Designate was appointed in September 2007.

The Action Plan related to the *Federal Accountability Act* made reference to the appointment of an independent advisor to review public opinion research practices in government. An advisor has been appointed for the implementation of this process.

In support of the *Federal Accountability Act*, PWGSC provided advice and input to the Treasury Board Secretariat for the new *Communications Policy of the Government of Canada*. Specific changes include: increasing the emphasis on openness, fairness and transparency in public opinion research and advertising bidding processes; distinguishing advertising from collateral services and non-paid messages such as public service announcements; and, ensuring that departments make written public opinion research reports public within six months of completion of field work.

As one of the government's initial series of measures to implement the *Federal Accountability Act* and Action Plan, PWGSC announced in February 2007 that we would seek input from all stakeholders on the development of a *Code of Conduct for Procurement*. The Code will provide a comprehensive statement of the government's expectations for handling of procurement activities by suppliers and public service employees. It will also consolidate the government's existing legal, regulatory and policy requirements into a concise statement of the expectations government has of its employees and its suppliers. This will strengthen the integrity and transparency of all government procurement transactions.

PWGSC is committed to being more open and transparent. We are proactively disclosing information regarding travel and hospitality, contracts over $10,000 and reclassification of jobs. We are also improving our reporting to Parliament and Canadians through greater linkages to government priorities and strategic outcomes as well as increased electronic reporting.

Internal audit and evaluation functions are key to strengthened accountability. We are working diligently to maintain an effective workforce of qualified, broadly experienced auditors and

evaluators. This has been, and will continue to be, important for strengthened accountability.

Transforming our Business

In 2006-2007, PWGSC implemented the second year of our business renewal agenda to deliver services smarter, faster and at reduced cost in the areas of procurement, real property and information technology.

Procurement Renewal

The November 2006 *Economic and Fiscal Update* identified adjustments to the savings forecast after determining that the savings were overestimated. Budget 2007 indicated that "after further analysis, it has become clear that the revised savings targets will not be realized. The government, however, has determined that the savings for 2008-2009 and beyond will need to be achieved by departments through overall cost efficiencies including continued efforts to reduce procurement costs. Accordingly, departmental budgets will be reduced to reflect the fiscal targets projected in the November 2006 *Economic and Fiscal Update.*"

We have exceeded our 2006-2007 target for procurement savings of $204 million, achieving procurement savings of $225 million.

In December 2006, PWGSC unveiled the Government of Canada Marketplace (GoCM), which offers simplified access to mandatory standing offers and supply arrangements. The initial launch was made available to all government departments and agencies to collect feedback in order to further refine and improve the GoCM in preparation for the full launch in March 2008. The intent is to develop an end-to-end solution for purchasing goods and services throughout the Government of Canada.

During 2006-2007, PWGSC worked closely with the private sector to better understand suppliers' concerns as changes to government procurement were introduced. Following consultations with suppliers, we announced that we would create an ongoing consultation mechanism. Feedback from suppliers will help us achieve our goal of reducing procurement costs while ensuring fair, simple and open access for all suppliers – irrespective of their size – across Canada.

To improve its outreach, PWGSC expanded the Office of Small and Medium Enterprise (OSME), opening six regional offices across the country. The regional offices are working to identify and reduce barriers to SMEs in the procurement system. To this end, we are providing information, counselling and training services to help small and medium enterprises and PWGSC employees improve their procurement practices. SME participation by dollar value has already jumped, increasing by 85% to 300% in certain commodity areas. Currently, the overall participation rate by dollar value of SMEs exceeds 37% of total volume, representing approximately $5 billion per year being awarded to an average of 9,500 SMEs.

Real Property Renewal

At PWGSC, we face many challenges managing our real estate portfolio. These include the condition and age of buildings, our recapitalization needs (estimated at $4.5 billion over 15 years, adjusted for inflation and some acceleration, includes almost $1.0 billion in deferred capital expenditures), and the limited flexibility of the assets.

We have looked at private sector best practices to improve the management of customer relationships and our assets. We also undertook more rigorous application of accommodation standards, improved inventory management, and the maintenance of overhead efficiencies. In 2006-2007, we tracked $134 million of efficiencies within PWGSC's Real Property Branch and $17 million attributable to organizations that reimburse PWGSC for services and accommodation for a total of $151 million against a target of $150 million.

In September 2006, we awarded a competitive contract to study 40 of the 325 Crown-owned real

estate assets and to provide recommendations on the most cost-effective and efficient ways to accommodate federal government departments, while generating savings for Canadians. On August 20, 2007, the Government of Canada announced it entered into an agreement for the sale of nine office buildings, located in six major cities across Canada, and their subsequent lease-back for a period of twenty-five years.

Information Technology Shared Services

PWGSC is leading the "whole-of-government" approach to modernizing Information Technology (IT). This initiative, called IT Shared Services, aims to consolidate IT infrastructure services and facilities across government to streamline processes, realize efficiencies and provide high-quality and cost-effective services to Canadians. It views government as a single enterprise whose goal is to reduce technical complexity and increase interoperability and information exchange. For example, 98% of Government of Canada online programs are supported by our secure channel network.

To manage the growth strategies of IT Shared Services, we launched the Identification, Qualification, Transition and Transformation (IQTT) process. This initiative was started with six partner departments and agencies. Eventually, specific IT services, currently administered by each department or agency, will be transferred to a single IT Shared Services environment. Some of these organizations have begun to move the people, business processes and technology to the shared services model as part of the IT Shared Services Initiative.

Delivering Projects of National Importance

PWGSC undertook a wide range of major projects of national importance, including those in the following areas:

- Clean-up of Contaminated Sites;
- Restoration of the Vimy Ridge Monument;
- Renewal of Pension Administration Systems; and
- Military Procurement.

Clean-up of Contaminated Sites: Federal contaminated sites are managed under the Federal Contaminated Sites Action Plan (FCSAP). The Program is managed by Environment Canada (EC) and the Treasury Board Secretariat (TBS). Funding is directed to highest risk federal contaminated sites. FCSAP contains commitments for remediation of more than 600 federal contaminated sites. PWGSC is responsible for 209 contaminated sites. This includes the Sydney Tar Ponds clean-up, jointly supported by the governments of Nova Scotia and Canada. Of the 209 PWGSC contaminated sites, the 2006-2007 annual report to the Treasury Board Secretariat indicates that:

- 22% are under assessment;
- 11% are under remediation;
- 3% are remediated and under risk assessment;
- 25% are under risk management;
- 17% are remediated; and
- 22% are assessed and require no action.

Restoration of the Vimy Ridge Monument: PWGSC completed the high profile restoration of 12 First World War monuments in Europe, including the Vimy Ridge Monument. In close partnership with Veterans Affairs Canada, this collaborative project brought together a unique multi-disciplinary team of heritage conservation experts from Canada, France and Belgium.

Renewal of Pension Administration Systems: We are continuing to work with the Treasury Board Secretariat in our efforts to renew our pension administration systems and business processes to replace the existing services to public service employees, employers and pensioners. The Pension Modernization Project will replace outdated technology and business processes by a multi-plan solution based on commercial off-the-shelf software. In 2006-2007, the design of a new

system architecture was completed and cost estimates were validated by two external audits.

Military Procurement: PWGSC has been working with the Department of National Defence to streamline the procurement process with respect to military purchases to better meet the needs of the Armed Forces while ensuring best value for Canadians. An example was the award of an $869 million contract for the acquisition of four C-17 aircraft within eight months following the announcement of the project. This was a marked improvement when compared to the average 63 months it took in the past for similar large size military projects.

Details on all of the major projects of national importance above, and other major projects, can be found throughout *Section II*, in *Section III — Table 12*, and on our website at: http://www.tpsgc-pwgsc.gc.ca/reports/text/dpr_2006-2007/rpe-cpt-e.html.

Supporting the Government's Strategic Agenda

Security

PWGSC continued to support the government's security agenda through a broad range of activities. We ensured public safety and security through the Industrial Security Program, designed to prevent the loss of classified information, secure assets and controlled goods. We facilitated military procurement by providing timely contract security services and we enabled Canadian industry to compete where contracts contain sensitive or classified government information or access to secure assets.

More specifically, we provided personnel security screening services to Canadian private sector organizations involved in protected/classified government contracts. We inspected organizations with access to protected and classified information and assets and those dealing with controlled goods or technology. We also processed Canadian and foreign visit requests for visitors requiring access to contract-related classified/protected information and assets.

PWGSC continued to negotiate industrial security Memoranda of Understanding (MOUs) with foreign governments that enable the government to share foreign sensitive technologies with Canadian industry. This helps Canadian industry to participate in foreign classified contracts. It also helps maintain the trust and confidence of NATO and our other allies and it supports Canada's anti-proliferation, public safety, security and global security priorities.

Military procurement is a large and important component of our work. Through enhanced working relationships with the Department of National Defence and improved processes, we have achieved significant reductions in delivery times directly supporting Canada's initiatives in Afghanistan and other areas abroad. The average timelines for new capability procurements is now estimated to be less than 25 months, which is an over 60% reduction from past procurements.

Greening of Government Operations

Since being given the responsibility to lead in the greening of government operations two years ago, we have developed initiatives to: reduce energy consumption, greenhouse gases and other polluting emissions; promote green procurement; improve the management of waste; direct or advise on the remediation of contaminated sites; and improve the environmental performance of the government's vehicle fleet.

PWGSC assists federal government departments in meeting their environmental regulatory requirements. In the past year, we provided training and advice to operational managers in the areas of storage tanks, hazardous materials and waste, ozone-depleting substances, air emissions, and waste-water management. As a result of these efforts, more than 75% of the Sustainable Development Strategies have incorporated

recommendations for greening government operations. For example, guidance for vehicle fleets was taken up by 22 of the 28 departments that tabled their Sustainable Development Strategies in December 2006, increasing the use of hybrid vehicles and alternative transportation fuels.

We also helped establish steering groups on greening government operations and sustainable development. These federal-provincial-territorial and interdepartmental groups provide opportunities to share information, best practices and environmental management tools.

PWGSC has committed to ensuring that new buildings be at least 25% more energy-efficient than the Model National Energy Code for Buildings, and that buildings we renovate be at least 15% more energy-efficient after their renovation. New government office buildings also apply the Canada Green Building Council's Leadership in Energy and Environmental Design (LEED®) Gold standard.

One new building on the forefront of sustainable design is Yellowknife's Greenstone Building. This will be the first North of 60 LEED® — Canada Gold-standard-certified office building.

In 2006-2007, direct deposit participation levels increased by 3%, generating significant savings in processing, handling, postage and paper. Not only does this initiative have positive environmental impacts across the country, it also delivers funds to the client faster, with greater satisfaction to Canadians. Such measures are noted in Section II.

Supporting Official Languages

The linguistic and interpretation services that PWGSC provides to Parliament are essential for its work. The Translation Bureau provided overnight translation of more than 9.5 million words of parliamentary debates last year, compared with an average of 7 million words in the previous three years. It also provided translation and interpretation for 82 parliamentary committees and sub-committees, compared to 70 the prior year.

Challenges

A number of key challenges, with their related risks and opportunities, were identified during 2006-2007. Specifically, working with our client departments and central agencies, we face the challenges of:

- Continuing Business Renewal;
- Improving Quality Control and Performance Measurement; and
- Renewing Human Resources.

Continuing Business Renewal

Challenge: maintaining momentum for business renewal.

We have undergone two years of complex renewal of our main business areas, encountering various challenges in meeting targets. Although we have made major adjustments to our plans during 2006-2007, we remain committed to moving ahead with our renewal agenda to realize long-term efficiencies for Canadians.

Our challenge is to continue the renewal and modernization of our business processes so that we become a "Best in Class" organization in our delivery of common, central and shared services. For example, we must apply the real property and procurement management best practices found in the private and public sectors, domestically and internationally. We must also take a best practice approach to shared IT services and pension modernization by applying proven solutions found in other jurisdictions.

The momentum must be maintained for continuous improvement by achieving our performance expectations and using best practice standards to ensure quality services. Results-based planning and reporting can help to ensure that our performance will be measured and judged by our tangible past, present and future results.

Improving Quality Control and Performance Measurement

Challenge: improving quality control and performance measurement to improve service delivery and performance reporting across the department.

To ensure PWGSC achieves our objectives, we must improve quality control and performance measurement in the delivery of our services (including reporting results in a transparent and balanced manner).

Quality assurance activities are being enhanced in all major business lines to improve service delivery. Key performance indicators for each business line provide a basis for measuring and reporting on results achieved.

We will also continue to improve our financial management as well as our integration of business, human resources, and financial planning.

Together, these activities build upon the government's Performance Management Framework, integrating results for Canadians with strategic outcomes, expected outputs and performance indicators to provide the basis for our performance story.

Renewing Human Resources

Challenge: sustaining a qualified, skilled and motivated workforce.

Public Service Renewal is a government-wide priority. For PWGSC, employee retirement, normal attrition, employee movement and recruitment difficulties continue to threaten our ability to provide, on a day-to-day basis, the consistent level of quality services and sound stewardship that our clients and Canadians expect.

To become a "Best in Class" organization, we will continue to need a workforce of knowledgeable, skilled and enthusiastic people, whose hard work and dedication will help maintain and improve the quality of our services and support our ongoing commitment to sound stewardship.

We must continue to seek and apply better ways of attracting and retaining qualified and competent staff in all areas of operation, but in particular, those related to translation and interpretation, auditing and evaluation, and information technology.

ANALYSIS OF PROGRAM ACTIVITIES BY STRATEGIC OUTCOME

Introduction

This section of the report provides information about PWGSC's program activities. These program activities are organized by our two strategic outcomes to provide quality services in support of government operations and sound stewardship of its assets.

Quality Services: PWGSC delivers common, central and shared services to federal departments in support of government operations. In addition to supporting departments directly, we use economies of scale and specialized expertise to generate efficiencies and improve government-wide performance for the benefit of Canadians.

Sound Stewardship: PWGSC safeguards the assets entrusted to us, including the skills and knowledge of our employees, as well as our physical infrastructure and systems. In doing so, we maintain and grow our capacity to provide services into the future.

PWGSC – Program Activity Architecture

Strategic Outcome Quality Services (16 Program Activities)	Strategic Outcome Sound Stewardship (10 Program Activities)	For more results and performance information:
• Federal Accommodation and Holdings • Real Property Services Revolving Fund • Real Property Disposition Revolving Fund	• Real Property Stewardship	See Pages. 13-20
• Acquisition Services • Optional Services Revolving Fund • Defence Production Revolving Fund	• Supply Operations Stewardship	See Pages. 21-28
• IM/IT Services • Telecommunications Services Revolving Fund	• IM/IT Stewardship	See Pages. 29-33
• Receiver General Services • Public Service Compensation Services	• Receiver General Stewardship • Public Service Pay Stewardship • Public Service Pension Stewardship	See Pages. 34-40
• Government Information Services	• Government Information Stewardship	See Pages. 41-46
• Business Integration Services	• Business Integration Performance Management	See Pages. 47-50
• Consulting and Audit Canada Revolving Fund		See Pages. 51-54
• Translation and Interpretation to Parliament, Conference Interpretation, Terminology • Translation Bureau Revolving Fund	• Translation Stewardship	See Pages. 55-60
• Office of Greening Government Operations Services	• Office of Greening Government Operations Stewardship	See Pages. 61-66

Note: *The Program Activities of Corporate Management and Business Integration Client Relations Management are not shown in the table above because, for Treasury Board Secretariat's financial reporting purposes, their costs have been re-allocated to the other Program Activities as departmental overheads.*

To better reflect the PWGSC approach to service delivery and organizational structure, our program activities have been grouped to highlight our key service areas:

- Real Property;
- Acquisitions;
- Information Technology;
- Receiver General and Public Service Compensation;
- Consulting, Information and Shared Services;
- Business Integration;
- Special Operating Agencies
  - Consulting and Audit Canada
  - Translation Bureau;
- Greening Government Operations; and
- Corporate Management.

In each of the subsections which follow, our performance over the past year is presented by the strategic priorities the department pursued in 2006-2007, as well as by our long-term and enduring program activities.

In 2006-2007, there were a number of organizational changes throughout the department; however, this report is structured to respond as directly as possible to the commitments made in our *2006-2007 Report on Plans and Priorities*. Where programs have been ended or activities re-assigned, the changes are clearly identified at the outset of each of the subsections, which follow.

REAL PROPERTY

PWGSC provides departments and agencies with office and common use accommodation and acts as a steward for various engineered public works such as bridges and dams, and national treasures such as the Parliamentary Precinct and other heritage assets across Canada.

PWGSC also provides other federal departments and agencies with expert professional and technical services. These cover the areas of architecture, engineering, environment and real estate, as well as asset and facilities management for the acquisition, development, construction, management, operation, maintenance, repair and disposal of real property.

On behalf of the federal government, PWGSC administers the Payments in Lieu of Taxes Program to local taxing authorities, and the Real Property Disposition Revolving Fund, which facilitates the disposal of properties surplus to government requirements.

Real Property supports PWGSC's two strategic outcomes through four program activities:

Quality Services
- Federal Accommodation and Holdings;
- Real Property Services Revolving Fund;
- Real Property Disposition Revolving Fund; and

Sound Stewardship
- Real Property Stewardship.

The expenditures and actual results for 2006-2007 for the above program activities are summarized at the end of this Real Property section.

Performance by 2006-2007 Priorities

The strategic change and improvement initiatives impacting the results of our program activities are presented by the PWGSC strategic priorities, as follows:

- Transforming our Business;
- Strengthening Accountability and Transparency;
- Delivering Projects of National Importance; and
- Supporting the Government's Strategic Agenda.

*Key Facts**

- Managed, as custodian, $7 billion worth of federal real property.
- Managed 6.8 million square metres of rentable space including:
  - 3.4 million square metres of Crown-owned space;
  - 2.9 million square metres of leased space; and
  - 0.5 million square metres of lease-purchase space.
- Provided accommodation to 241,000 federal employees in 105 departments and agencies in about 1,800 locations across Canada.
- Administered annual payments of more than $460 million under the Payments in Lieu of Taxes Program to approximately 1,300 local taxing authorities.

**Source: PWGSC databases*

Transforming our Business

Our business transformation initiatives are primarily related to the following program activities: *Federal Accommodation and Holdings* and *Real Property Services Revolving Fund.*

Real Estate Study

In September 2006, BMO Capital Markets Real Estate Group and RBC Capital Markets Real Estate Group Inc. were hired to study 40 Crown-owned assets and a broad range of options to determine the most cost-effective and efficient ways to accommodate federal government departments. In March 2007, the Government of Canada announced it was moving forward on the first step in a two-step process for the possible sale-leaseback of nine federal government office

properties. This would result in long-term positive benefits by:

- transferring ownership risk for major building capital costs to the private sector;
- ensuring the buildings are properly maintained;
- increasing the transparency and predictability of accommodation costs; and,
- providing lease conditions favourable to the Crown.

A review of the top bid by Deutsche Bank clearly demonstrated that the transaction was fair, from a financial point of view, to the Crown. The firm also found the marketing process had been robust and thorough, and endorsed the top bidder.

On August 20, 2007, the Government of Canada announced that it had entered into an agreement for the sale of nine office buildings and their subsequent leaseback for $1.6 billion. The impact of this agreement, once finalized, will be reflected in the 2007-2008 financial statements.

For more information on PWGSC's Real Estate Study see:
http://www.pwgsc.gc.ca/text/buildings/index.html.

Real Property Renewal – Savings

In 2006-2007, we tracked $134 million of efficiencies within PWGSC's Real Property Branch and $17 million attributable to organizations that reimburse PWGSC for services and accommodation, for a total of $151 million against a target of $150 million. These results were achieved through the rigorous application of accommodation standards, improved inventory management, and the maintenance of overhead efficiencies.

Rigorous Application of Accommodation Standards: PWGSC consistently applied space and fit-up standards and optimized space utilization to bring government occupancies more in line with private sector norms. The aim is to reduce the average space per Full-Time Equivalent (FTE) to 18 rentable square metres by 2009-2010. In 2006-2007, the average space per FTE employee was 19.7 rentable square metres, a reduction of 1.7 rentable square metres per FTE from the previous year. We identified efficiencies of $71 million internal to PWGSC and $11 million attributable to reimbursing organizations.

Improved Inventory Management: PWGSC continued to focus on longer-term program planning and optimizing our accommodation portfolio. This included improving the management of our leased portfolio and facilities operations, resulting in efficiencies of $47 million in 2006-2007. Leasing improvements included more timely lease negotiations and longer term leases, resulting in reduced fit-up and administrative costs, as well as more rigorous rental rates for negotiating targets for new leases and renewals. Facilities operations efficiencies included exercising options to increase the amount of services delivered by our alternative service provider, SNC Lavalin ProFac Inc.

Efficiencies in Service Delivery: We continued to take full advantage of efficiencies and reduced overhead while maintaining a satisfactory level of service delivery, through attrition in our workforce (a 15% reduction since 2004-2005), co-location with other levels of government, and the use of technology to interface with our clients. We tracked related efficiencies of $15 million in 2006-2007.

Corporate Real Estate Model

We continued to work towards becoming an industry leader in business performance and best practices. In 2006-2007, we developed a Corporate Real Estate (CRE) model that focuses on strategic decision-making, service performance, client satisfaction and accountability, and allows alignment to industry best practices and process requirements. Clear accountabilities, defined roles and responsibilities, and standard competencies are key attributes of a CRE model. This new structure was unveiled on April 1, 2007.

Business and Systems Transformation Project

A global scan of public and private corporate real estate organizations revealed that most successful organizations use integrated workplace management systems to address their business and client needs. As a result, PWGSC prepared a business case that assessed options for pursuing a business and systems transformation initiative supported by a commercial-off-the-shelf (COTS) real estate product, with the associated business process integration. The COTS product is an Integrated Workplace Management System (IWMS), which will provide comprehensive and consistent management information to support our business and client activities. Also, in support of our transformation, Real Property has become actively involved in the Open Standards Consortium for Real Estate to develop an open standard for data exchange.

Project Performance

To improve service delivery and increase client satisfaction, Real Property launched its National Project Management System (NPMS), based on industry best practices. The NPMS provides the methodology, web-based tools, and project governance structure, as well as enhanced client and quality management focus to deliver our projects on time, on budget and within their defined scope. The NPMS covers the broad range of projects of national interest we deliver, from lease projects to major re-fit and Crown construction projects. As part of the NPMS, we are putting in place a performance measurement and assessment framework to improve project management.

Strengthening Accountability and Transparency

Efforts to strengthen accountability are primarily related to the *Real Property Stewardship Program Activity*. Real Property continued to ensure sound and ethical management and stewardship of the resources entrusted to it.

PWGSC worked with the Office of the Chief Risk Officer to embed risk management and quality assurance into our business processes. In 2006-2007, the department established the Risk Management and Quality Assurance functions and began developing and integrating the branch risk profile into its business planning process. As well, collaboration between sectors and regions resulted in entrenching risk management concepts in the National Project Management System.

To foster a strong culture of values and ethics, we strengthened our commitment to provide timely and thorough responses to recommendations from the Auditor General and PWGSC's Audit and Evaluation Branch.

Delivering Projects of National Importance

Parliamentary Precinct

PWGSC is custodian of the buildings and grounds of Canada's legislative buildings on Parliament Hill and surrounding streets of Ottawa, known collectively as the Parliamentary Precinct. In addition to being the seat of Canada's government, and a symbol of Canada's democratic traditions and values, the Parliamentary Precinct receives Canadian and international visitors for business and tourism. PWGSC's mandate is to ensure that these remarkable heritage structures remain safe, useful and beautiful for future generations.

Long-Term Vision and Plan: The Long-Term Vision and Plan (LTVP) is the planning framework that guides development within the Parliamentary Precinct and projects to restore its buildings and grounds over the next quarter century. The original LTVP was approved in 2001 but changes in

circumstances have led PWGSC to comprehensively review the plan, in consultation with Parliament and our advisory organizations.

The revised LTVP endorses the high-level vision and principles of the 2001 LTVP that aim to restore the Parliament buildings and grounds to a condition that will reflect their importance as the seat of Canada's government. The revised LTVP has a new implementation framework founded on rolling five-year programs of work and a number of enhanced oversight and governance provisions.

Library of Parliament: From 2002-2007, PWGSC led the rehabilitation of the Library of Parliament to preserve and enhance this Victorian Gothic architectural treasure for future generations. Inside and out, every aspect of the Library building was in need of attention, from the weathervane atop the roof to the cramped and crowded basements below ground. A heritage building, more than 130 years old, the Library demanded a unique approach and rare skills. The project was not only about the conservation of an architectural gem. It also covered the design and construction of a state-of-the-art research facility to better assist parliamentarians in doing their work.

West Block Renovation: PWGSC began renovations of the West Block, the main focus of the current five-year LTVP implementation phase. Initial work involved the stabilization and repair of some of its significant exterior components, such as the southeast tower, to ensure the safety of users of the building and visitors to Parliament Hill. The extent of the renovations has required parliamentary functions, currently housed in the West Block, to be moved. Projects to provide interim space included the advancement of plans for La Promenade and Wellington Buildings, which will temporarily house West Block offices and committee rooms.

See *Section III — Table 12* for more information on individual LTVP Major Crown Projects or visit our website at: http://www.tpsgc-pwgsc.gc.ca/reports/text/dpr_2006-2007/rpe-cpt-e.html.

War Memorials

Canada's First World War monuments were erected to honour and remember the achievements and sacrifices of Canadians and Newfoundlanders during the First World War. Since 1996, PWGSC's heritage conservation experts, in collaboration with Veterans Affairs Canada, investigated the deterioration of these monuments and recommended appropriate conservation measures. This led to a $30-million project to restore 12 war monuments in France and Belgium.

Vimy Ridge Monument: As a National Historic Site of Canada with great historic, symbolic and architectural significance, the Vimy Ridge Monument required a very careful conservation approach that respected the intent of Walter Allward's original design. A multi-disciplinary project team of experts from Canada, France and Belgium worked on the rehabilitation of the site. PWGSC provided the project management services for this high-profile project, which was rededicated at the Canadian National Vimy Memorial on April 2, 2007.

Supporting the Government's Strategic Agenda

National Capital Area Accommodation Strategy (Ontario:Quebec ratio)

In 2006-2007, the planning was done to meet the Ontario:Quebec distribution ratio of 75:25. As part of our National Capital Area Office Accommodation Strategy, we expect to reach an Ontario:Quebec distribution ratio of 75:25 by 2010 through a three-year action plan. This includes a Gatineau-specific accommodation strategy that clearly outlines how PWGSC will increase the inventory of office space in Quebec by 120,000 square metres.

Greening of Government Operations

PWGSC contributed to the government's sustainable development goals through its use of environmental management practices designed to minimize the environmental footprint of both existing and future facilities with special focus on greenhouse gas reductions, green leasing, green purchasing and environmental impact assessments.

PWGSC is providing leadership in greening government by committing to achieve the Leadership in Energy and Environmental Design (LEED® — Canada) Gold standard for new construction and major renovations.

PWGSC developed a Green Lease Standard, which addresses such key environmental standards as wastewater management, indoor air quality, recycling, energy-efficient lighting fixtures and greenhouse gas reductions. Over 70 new leases or lease renewals have applied the new green lease provisions.

The Jean Canfield Government of Canada Building in Charlottetown, Prince Edward Island is expected to obtain the LEED® — Canada Gold standard when it opens in 2007-2008. The Jean Canfield Building will house 500 federal employees from various departments.

The new Government of Canada Yellowknife Building in the Northwest Territories was built according to the latest environmental and energy-efficient standards. The four storey, 7,200-square metre building houses 200 public service employees from approximately 15 departments and agencies and will be the first "North of 60" LEED® — Canada Gold certified office building.

PWGSC introduced its first "green roof" in downtown Ottawa; shrubs, plants and flowers now cover roughly a third of the rooftop on the 29-year-old CD Howe building. Green roofs reduce the amount of energy required to heat and cool the building, lower greenhouse gas and sulphur dioxide emissions, improve air quality and allow both pollutants and nutrients from rainwater to be absorbed by the soil rather than entering storm drainage systems.

Performance by Program Activity

In the following tables, we identify the commitments made in our *Report on Plans and Priorities 2006-2007*, as well as our performance against those commitments for the following four program activities: *Federal Accommodation and Holdings*; *Real Property Services Revolving Fund*; *Real Property Disposition Revolving Fund*; and *Real Property Stewardship*.

Federal Accommodation and Holdings (Strategic Outcome: Quality Services)

(in millions of dollars)

Net Expenditures 2006-2007	Planned Spending	Total Authorities	Actual
Operating (including Special Purpose Allotment), Capital, Grants and Contributions and Statutory Votes			
Gross Expenditures	2,516.3	*2,363.8*	**2,200.6**
Less: Respendable Revenues	278.4	*472.3*	**472.3**
Net Expenditures	2,237.9	*1,891.5*	**1,728.3**
Federal Accommodation and Holdings Full-Time Equivalents (FTEs)	2,402	*2,402*	**2,325**

Note : Please note that this financial table has not been audited.

The variance between authorities and actual spending is due to project slippage caused by uncontrollable and unpredictable factors inherent to the nature of real property activities, such as: market fluctuation driving the price of commodities; weather conditions impacting the consumption of utilities and the delivery of some projects; and also, delays in the delivery of several repair and fit-up projects. It is also attributable to the reprofiling of the Action Plan on Climate Change not approved and to the carry forward of capital projects, as well as to the annual Treasury Board directed lapse to cover employee benefit and health care costs related to the special purpose allotment.

Program Activity	Planned Results	Actual Results
Effective management of real property investment, under the custodianship of PWGSC, in support of the delivery of government programs.	Government departments and agencies have safe, healthy, productive and affordable work environments and facilities that enable them to deliver programs and services. The real property portfolio is managed as an investment on behalf of the taxpayer.	• **Accommodation usage trends:** The rentable square metres per Full-Time Equivalent (FTE) decreased by 0.4% from last year. The five-year trend continues to show improvement in the usage of office space. The rental cost per rentable square metre increased by about 1.8% and rental cost per FTE increased by about 1.3%. • **Operating cost trend analysis:** In 2006-2007, figures were within 5.1% of the Building Owners and Managers Association (BOMA) average. • **Vacancy rate:** The vacancy rate for Office Crown Owned buildings 2006-2007 was 3.7%. BOMA vacancy rate for the Canadian private sector 2006-2007 was 7.6%. • **Progress against Sustainable Development Strategy (SDS):** Fiscal year 2006-2007 marked the third year of SDS 2003. For the reporting period, PWGSC continued to make progress on its SDS goals and objectives. Details on performance may be found in the PWGSC Sustainable Development Performance Report, discussed in more detail in *Section III - Table 17.*

Real Property Services Revolving Fund (Strategic Outcome: Quality Services)

(in millions of dollars)

Net Expenditures 2006-2007	Planned Spending	Total Authorities	Actual
Operating (including Special Purpose Allotment), Capital, Grants and Contributions and Statutory Votes			
Gross Expenditures	847.2	*847.2*	**984.8**
Less: Respendable Revenues	847.2	*847.2*	**984.8**
Net Resources (Provided) Used (Note 1)	-	-	-
Real Property Services Revolving Fund Full-Time Equivalents (FTEs)	1,261	*1,261*	**1,133**

Note : Please note that this financial table has not been audited.

The drawdown authority used at year-end was nil. The business volume increase reflected between the authorities and actual spending is mostly due to increased work for Third Party Clients (Alaska Highway bridge work), Parks Canada (Western Asset Management Service Center Highways), Indian and Northern Affairs Canada (mining work), Public Safety and Emergency Preparedness, and PWGSC. The drop in FTEs is the direct consequence of services repatriated by Indian and Northern Affairs Canada.

Note 1: The amounts reported for the Real Property Services Revolving Fund are on a modified cash basis.

Program Activity	Planned Results	Actual Results
The provision on a fee-for-service basis of optional real property services to other custodial departments, and to other departments and agencies requesting services over and above those provided under the Federal Accommodation and Holdings Service Line program.	Quality, affordable services are provided to government departments and agencies. Revenues will cover the full cost of service delivery.	• **Real Property Services Revolving Fund (RPSRF):** Provides separate financial reporting for optional real property services delivered to clients. These services are provided on a full-cost recovery basis. PWGSC recovered from clients 98.6% of the total cost of $990.3M charged to the RPSRF in 2006-2007. • **Projects on time, on budget:** Analysis of 97 nationwide projects completed (24 Federal Accommodation and Holdings and 73 RPSRF) reveals that against the 2001-2002 baseline, timeliness improved by 8% while projects completed on budget improved by 8%. 44% of these projects were delivered on scope.

Real Property Disposition Revolving Fund (Strategic Outcome: Quality Services)

(in millions of dollars)

Net Expenditures 2006-2007	Planned Spending	Total Authorities	Actual
Operating (including Special Purpose Allotment), Capital, Grants and Contributions and Statutory Votes			
Gross Expenditures	4.0	*4.0*	**2.8**
Less: Respendable Revenues	12.0	*12.0*	**8.9**
Net Resources (Provided) Used (Note 1)	(8.0)	*(8.0)*	**(6.1)**
Real Property Disposition Revolving Fund Full-Time Equivalents (FTEs)	-	-	-

Note : Please note that this financial table has not been audited.

The variance between the Real Property Disposition Revolving Fund authorities and actual spending is due to the uniqueness of the real estate environment and the uncertainty of the condition of properties prior to sale.

Note 1: The amounts reported for the Real Property Disposition Revolving Fund are on a modified cash basis.

Program Activity	Planned Results	Actual Results
The provision, on a cost-recovery basis, of routine disposals of real property assets no longer required in order to generate revenue for the Crown.	Realization of value (net proceeds of sale) from surplus properties.	• **Professional and timely disposal services and maintenance of a sufficient level of credit to facilitate custodial disposals:** The Real Property Disposition Revolving Fund facilitated the completion, termination or cancellation of 250 disposals within the fiscal year. The actual revenue generated was $6.7M compared to an original budget of $8.0M. The fund maintained a sufficient level of credit to start the fiscal year 2007-2008.

Real Property Stewardship (Strategic Outcome: Sound Stewardship)

(in millions of dollars)

Net Expenditures 2006-2007	Planned Spending	Total Authorities	Actual
Operating (including Special Purpose Allotment), Capital, Grants and Contributions and Statutory Votes			
Gross Expenditures	35.1	*56.9*	**53.3**
Less: Respendable Revenues	1.4	*2.0*	**2.0**
Net Expenditures	33.7	*54.9*	**51.3**
Real Property Stewardship Full-Time Equivalents (FTEs)	245	*250*	**283**

Note : Please note that this financial table has not been audited.

The variance between authorities and actual spending is mainly due to lower than anticipated translation costs, and to personnel costs related to collective agreements that did not materialize as initially anticipated. The increase in FTEs is mainly due to the transfer of mandated activities from the special purpose allotment to Real Property Stewardship.

Program Activity	Planned Results	Actual Results
Provision of strategic leadership and proactive management of the resources and real property assets to support the delivery of government programs.	Government program delivery is facilitated by a consistently applied, modern real property and program management framework that reflects a whole-of-government perspective in decision-making.	• **Actual recapitalization rate**: As a result of delays due to uncontrollable and unpredictable factors inherent to the nature of project delivery, the effective recapitalization rate was 2.4%, which is below the target of 4% and the funding level of 2.9%. 48% of the lapse was due to the deferral of two acquisitions worth $18.6M The balance of $18.8M, which represents 6% of the total capital budget, was due to delays caused mainly by internal capacity issues affecting the number of projects planned, approved, awarded and implemented. The strong economy in Western and Pacific regions also had an impact on the availability of qualified resources to meet the high demand in construction. • **Percentage or number of portfolio plans approved (against target)**: We continued to refine our Portfolio Management approach in 2006-2007 through the implementation of Phase 1 of the National Portfolio Management Plan (NPMP). The NPMP builds on the investment principles of the National Investment Strategy. • **Year-end financial results:** Are within acceptable percentage of budget and improved over previous fiscal year financial performance.

ACQUISITIONS

PWGSC is the government's primary procurement service provider, offering client departments and agencies procurement solutions such as specialized contracts, standing offers, supply arrangements and online access to specially developed marketplaces (e-procurement). The role of Acquisitions is to provide the federal government with timely, value-added acquisitions and related common services. These services are provided within a framework that promotes quality services and the stewardship of key program areas: procurement renewal, policy improvements, quality assurance of contracting and client-supplier relations. The provision of acquisition services requires stringent and ethical procurement standards.

As a strategic partner with federal government clients, Acquisitions:

- builds and manages supplier relationships, including those of small and medium enterprises (SMEs);
- promotes a strategic government-wide consultative approach through commodity management;
- strives to achieve best-value purchases;
- helps define client requirements and find the best solutions for meeting their needs;
- looks for opportunities to improve the process of buying goods and services; and
- oversees client and supplier relationships after contract award to ensure strong accountability.

The role of Acquisitions includes military and Major Crown Project procurements. In addition, Acquisitions offers specialized services, such as marine inspection and technical services; forensic accounting services; management of seized property; central removal and freight services; travel management; standards for and certification of goods and services; surplus asset disposal; procurement of vaccines and drugs on behalf of provinces and territories; and the registration of quality (ISO 9000) and environmental (ISO 14001) management services.

*Key Facts**

- As Canada's largest public purchaser of goods and services, PWGSC's purchases accounted for more than 85% of the total value of government procurement.
- Purchased roughly $12 billion in goods and services and managed approximately 60,000 transactions.
- Spent the vast majority of procurement dollars on a basket of 40 commodities such as information technology and office equipment.
- Office of Small and Medium Enterprise (OSME) worked to remove barriers to competition and ensure open, fair and transparent competition for small and medium enterprises (SMEs).

**Sources: PWGSC databases, The Way Forward, 2006-2007 Performance Management Report.*

Acquisitions supports PWGSC's two strategic outcomes through four program activities:

Quality Services
- Acquisition Services;
- Optional Services Revolving Fund;
- Defence Production Revolving Fund; and

Sound Stewardship
- Supply Operations Stewardship.

The expenditures and actual results for 2006-2007 for the above program activities are summarized at the end of this Acquisitions section.

Performance by 2006-2007 Priorities

The strategic change and improvement initiatives impacting the results of our program activities are presented by the PWGSC strategic priorities, as follows:

- Transforming our Business;
- Strengthening Accountability and Transparency;
- Delivering Projects of National Importance; and
- Supporting the Government's Strategic Agenda.

Transforming our Business

PWGSC undertook a number of strategic change initiatives in support of the *Acquisition Services Program Activity*.

Savings Expectations

In 2006-2007, Acquisitions continued to work on the delivery of efficiencies, productivity gains, and cost reductions, thereby contributing to the reallocation of resources to higher government priorities. While the initial commitment of government-wide acquisitions savings was to realize net savings of $2.5 billion over five years, in the *Fiscal and Economic Update* tabled in November 2006, the government announced adjustments to its savings forecast after determining that the projected savings were over-estimated. Savings for 2008-2009 and beyond will need to be achieved by departments through overall cost efficiencies, including continued efforts to reduce procurement costs.

There has been considerable progress in renewing procurement over the past two years. Acquisitions' total procurement savings for 2006-2007 was $225 million. This value is the estimated gross savings resulting from purchases conducted by PWGSC's Acquisitions Branch and its regions, which represents about 2% of our total procurement volume. It does not include all of the procurement savings resulting from purchases made by other government departments using the Consolidated Procurement Instruments, which PWGSC put in place prior to the end of March 2007.

Commodity Management

Commodity management is a PWGSC-led strategic and consultative framework used to plan and manage the procurement of selected goods and services on a life-cycle basis to optimize value for the government.

One of our key commitments in the *2006-2007 Report on Plans and Priorities* was to embed commodity management practices into daily operations. Commodity councils set savings targets for each commodity and PWGSC monitors overall efficiencies. Significant achievements were made. For example, we:

- established 10 management level Commodity Councils guiding overall strategies and 24 Commodity Teams to guide commodity management processes and objectives;
- established a robust consultation regime to allow industry associations and suppliers to provide feedback on new approaches;
- implemented 18 Consolidated Procurement Instruments (CPIs) by the end of March 2007, with an additional nine in the final stages of being put in place. The initial 15 instruments put in place in the last fiscal year had an estimated value of $887 million;
- developed a Commodity Management Introductory course given at the spring 2007 Materiel Management Institute (MMI) Conference to procurement and materiel management officers; and,
- worked with Justice Canada and the Treasury Board Secretariat to explore means of modernizing current policies and regulations impeding the use of innovative commodity management strategies and practices, which could increase government-wide efficiencies (e.g. *PWGSC Act* sections 8,9 and 20).

E-Procurement

In 2006-2007, PWGSC continued the development and roll-out of the Government of Canada Marketplace (GoCM). This is an online tool that provides federal employees with an electronic catalogue of pre-approved goods and services available through standing offers and supply arrangements. This project will help generate efficiencies by delivering volume price discounts, consolidating procurement instruments such as standing offers and improving and simplifying purchasing processes.

In December 2006, the GoCM was released to all government departments and agencies, offering one-stop access to mandatory standing offers and

supply arrangements. This preliminary release was intended to collect feedback on usability, functionality, training and content, as well as to further refine and improve the GoCM in preparation for the full launch in March 2008. As a result, Acquisitions Branch will improve the layout and usefulness of the tool and improve communications. Over the longer term, it is our intent to develop an end-to-end solution for purchasing goods and services available through Standing Offers and Supply Arrangements.

See *Section III — Table 20* for more information on the GoCM project, or visit our website at: http://www.tpsgc-pwgsc.gc.ca/reports/text/dpr_2006-2007/ih-hi-e.html.

Client Engagement

Review sessions and workshops were held with clients in support of the establishment of comprehensive departmental procurement strategies and service-level agreements. These workshops have resulted in greater client buy-in and an improved working relationship between client departments and PWGSC.

Client engagement activities in 2006-2007 included meetings with 17 departments where procurement specialists provided detailed analysis and validation of departmental spending. An intense review of client departments' procurement processes, structures, practices, achievements and assessments against best practices was supported by recommendations on how the clients could improve their procurement practices and realize operational and procurement efficiencies.

In 2006-2007, PWGSC developed a range of communication materials, fact sheets on new instruments and the development of a website to provide procurement support to client departments. Through the website, PWGSC will work in partnership with departments and agencies to align their procurement processes and practices with the government's procurement transformation initiative.

Small and Medium Enterprises

The Office of Small and Medium Enterprise (OSME) plays a key role in procurement transformation initiatives. Through OSME, the department works to ensure open, fair and transparent competition for small and medium enterprises (SMEs). OSME's mission is to make certain that SMEs have a fair opportunity to compete for government business.

To improve outreach activities, six new OSME regional offices were established in Halifax, Montreal, Toronto, Edmonton and Vancouver, with an additional office in Ottawa. In 2006-2007 OSME:

- provided information sessions, policy presentations, trade shows and one-on-one meetings to help over 13,000 SMEs, more than double the number reached over the previous two years;
- received 2.1 million hits on the Business Access Canada website, an increase of 24% over the past year; and
- encouraged approximately 9,600 new companies to register online during 2006-2007 to do business with the government.

SME participation by dollar value has already jumped, increasing by 85% to 300% in certain commodity areas. Currently, the overall participation rate by dollar value of SMEs exceeds 37% of total volume, representing approximately $5 billion per year being awarded to an average of 9,500 SMEs per year.

Finally, OSME has participated in a number of stakeholder sessions focused on socio-economic interests, including Aboriginal procurement, green procurement and, most notably, innovation-oriented procurement policy.

Strengthening Accountability and Transparency

PWGSC has a key role in the *Supply Operations Stewardship Program Activity*, ensuring strong

accountability in the government's procurement efforts. In support of the *Federal Accountability Act* and Action Plan, PWGSC started a public recruitment process in February 2007 to find candidates for the new position of Procurement Ombudsman. The Ombudsman will help to ensure that the government's procurement practices are fair and transparent. The appointment of a Procurement Ombudsman Designate occurred in September 2007.

PWGSC started to develop the *Code of Conduct for Procurement* in 2006-2007. The Code's comprehensive statement of the government's expectations for the handling of procurement activities by suppliers and public service employees complements integrity provisions already contained in all procurement documents.

A draft Code was released for public consultation in February 2007. The feedback from the consultations resulted in significant changes that improved the document. The Code was released in September 2007. The complementary *Vendor Performance Policy*, expected in February 2008, will incorporate more specific implementation processes for evaluating vendor performance, identifying irregularities and facilitating the dispute resolution process.

Delivering Projects of National Importance

The following is primarily related to the *Acquisition Services Program Activity*.

Military Procurement

PWGSC works closely with the Department of National Defence to ensure timely contract awards and delivery of equipment and services that satisfy the needs of the men and women in the Canadian Forces, while ensuring best value for Canadians. The procurement, related to seven major military capabilities, announced by the government since June 2006, is now well under way, with the average timelines for these new capability procurements estimated at less than 25 months, well under the 63 month average for past major military projects.

PWGSC is also looking to buy goods that, where appropriate, are readily available in the marketplace instead of those that require development. In the case of the Strategic Airlift (C-17) project, as an example, PWGSC awarded a contract eight months after approval of the statement of requirements, and the contractor delivered the first aircraft in August 2007, 14 months after the project was announced.

Overall PWGSC is working with DND to develop a more efficient and coherent means to procure military equipment and services that balance the operational objectives of the Canadian Forces with broader policy objectives (the right equipment at the right time for the right price, obtained fairly and transparently with the best possible socio-economic benefits package).

Shared Travel Services Initiative

The Shared Travel Services Initiative (STSI), jointly led by PWGSC and the Treasury Board Secretariat, is aimed at improving and streamlining the government's travel management practices and increasing the satisfaction of travelling employees.

STSI has developed and deployed the following services across the government:

- Travel Call Centre (provides traveller assistance during any booking process);
- Travel Portal (used for booking travel and submitting expenses);
- Designated Travel Card (an American Express card with best-in-class insurance benefits and a choice of loyalty programs for Government of Canada travellers);
- Online Booking Tool (used by government employees to make car, hotel, train and plane booking arrangements for official government business travel);
- Expense Management Tool (used by government employees to manage travel

requests and expense reports for official government business travel);
- Accommodations and Car Rental Directory (a directory of reduced rates used by government employees on official government business travel); and
- Negotiated airline agreements (used by government employees on official government business travel to reduce the cost of travel).

PWGSC is continuing to improve transparency and accountability of government travel with the implementation and adoption of these activities across the government. The STSI saved the Government of Canada approximately $20 million in 2006-2007.

More information on the Shared Travel Services Initiative may be found in *Section III — Table 20* and on our website at: http://www.tpsgc-pwgsc.gc.ca/reports/text/dpr_2006-2007/ih-hi-e.html.

Supporting the Government's Strategic Agenda

Environment

PWGSC is assisting client departments to identify, acquire and adopt environmentally friendly "green" procurement alternatives. For instance, Acquisitions assisted the Office of Greening Government Operations in updating the Green Procurement templates that provide buyers with information on environmental considerations.

PWGSC worked closely with Environment Canada, Natural Resources Canada and the Office of Greening Government Operations to develop and implement commodity specific green procurement plans to improve environmental sustainability. The posting of commodity templates on Publiservice, covering such areas as IT hardware and fuels, for example, will increase the visibility of the green procurement potential to all government departments and combined with increased usage of our standing offers, will allow government to clearly demonstrate progress and performance in this area.

Improving Government Procurement

Over the past two years, Acquisitions has been developing a process to capture, categorize and analyze government procurement expenditures to support commodity management, client engagement and performance reporting activities. This process culminated in the launch of an expenditure analysis tool and related database in early 2006-2007. This database of detailed and consistent spending information outlines basic reports and multi-year analysis to support client engagement and commodity management. It allows departments to consider the bundling of requirements and establishment of a demand management regime. This consolidated approach to spend analysis (spend management) will also have considerable benefits in terms of supporting comptrollership and sound management.

In addition, commodity management is a key element in improving government procurement requiring a government-wide consultative and strategic framework. This will involve the implementation of Consolidated Procurement Instruments, which include standing offers, supply arrangements and government-wide contracts. Once integrated into a robust electronic procurement tool such as the GoCM, these instruments will provide the optimal environment for achieving benefits such as:

- better value than retail catalogue prices;
- reduced administrative and inventory costs;
- greater access to Aboriginal suppliers;
- availability of green products; and
- pre-qualified suppliers and goods and services meeting client requirements.

Performance by Program Activity

In the following tables, we identify the commitments made in our *Report on Plans and Priorities 2006-2007*, as well as our performance against those commitments through four program activities: *Acquisition Services*; *Optional Services Revolving Fund*; *Defence Production Revolving Fund*; and *Supply Operations Stewardship*.

Acquisition Services (Strategic Outcome: Quality Services)

(in millions of dollars)

Net Expenditures 2006-2007	Planned Spending	Total Authorities	Actual
Operating and Statutory Votes			
Gross Expenditures	195.3	*227.7*	**230.0**
Less: Respendable Revenues	40.9	*60.5*	**60.5**
Net Expenditures	154.4	*167.2*	**169.5**
Acquisition Services Full-Time Equivalents (FTEs)	1,800	*1,824*	**1,861**

Note : Please note that this financial table has not been audited.

The variance between the authorities and actual spending is mainly due to higher than anticipated costs related to ongoing operations. The FTE increase is attributed to unadjusted authority transfers between Acquisition Services and Supply Operations Stewardship.

Program Activity	Planned Results	Actual Results
Acquisition of goods and services on behalf of the federal government. Management of the supply process by assisting clients with requirements definitions, bid solicitation and evaluation, contract negotiation and administration. Management of all procurement-related aspects of major projects (over $100 million). Operation of regional offices to carry out PWGSC acquisition activities across Canada, as well as offices in the United States and Europe, principally to service the needs of the military.	• Timely and cost-efficient acquisition services are provided to other government departments and agencies with enhanced service levels.	**Percentage reduction in cost of goods and services; percentage reduction in time for procurement transaction; percentage reduction in cost of government purchasing:** • In 2006-2007 PWGSC received 31,748 requisitions totaling $12.35B and issued 60,351 contractual documents totaling $11.97B. The total procurement savings, from purchases made by PWGSC, were $225.18M. This does not include all of the procurement savings which resulted from purchases made by other government departments' using the Consolidated Procurement Instruments which PWGSC put in place prior to the end of March 2007. **Percentage of client departments satisfied with PWGSC services:** • Throughout 2006-2007 Acquisitions devoted most of its efforts towards the transformation of its procurement processes working towards a centralized client service model. As a result, its client consultancy survey did not take place this past year, but is slated to take place in 2007-2008.

Optional Services Revolving Fund (Strategic Outcome: Quality Services)

(in millions of dollars)

Net Expenditures 2006-2007	Planned Spending	Total Authorities	Actual
Operating and Statutory Votes			
Gross Expenditures	100.4	*100.4*	94.3
Less: Respendable Revenues	100.4	*100.4*	95.2
Net Resources (Provided) Used (Note1)	-	-	(0.9)
Optional Services Revolving Fund Full-Time Equivalents (FTEs)	44	*44*	44

Note : Please note that this financial table has not been audited.

The Optional Services Revolving Fund variance between the authorities and actual spending is due to lower than anticipated sales and related expenditures in the Traffic Management Program.

Note 1: The amounts reported for the Optional Services Revolving Fund are on a modified cash basis.

Program Activity	Planned Results	Actual Results
Provision to client departments of specialized services, such as marine inspection and technical services, travel management, consensus standards and conformity assessment services. Procurement of vaccines and drugs on behalf of provinces and territories.	• Quality, affordable services are provided to government departments and agencies. • Revenues offset the full cost of service delivery.	**Recoveries as a percentage of cost:** • 100% of costs are recovered.

Defence Production Revolving Fund (Strategic Outcome: Quality Services)

(in millions of dollars)

Net Expenditures 2006-2007	Planned Spending	Total Authorities	Actual
Operating and Statutory Votes			
Gross Expenditures	-	-	-
Less: Respendable Revenues	-	-	-
Net Resources (Provided) Used	-	-	-
Defence Production Revolving Fund Full-Time Equivalents (FTEs)	-	-	-

Note : Please note that this financial table has not been audited.

Program Activity	Planned Results	Actual Results
Maintenance of a legacy fund for acquisition of military supplies in an emergency.	• Funding of defence acquisition emergencies on a cost-recovery basis.	**Recoveries as a percentage of cost:** • The fund was not used, thus it remains at a break-even point.

Supply Operations Stewardship (Strategic Outcome: Sound Stewardship)

(in millions of dollars)

Net Expenditures 2006-2007	Planned Spending	*Total Authorities*	Actual
Operating and Statutory Votes			
Gross Expenditures	47.7	*91.6*	**68.1**
Less: Respendable Revenues	8.6	*3.7*	**3.7**
Net Expenditures	39.1	*87.9*	**64.4**
Supply Operations Stewardship Full-Time Equivalents (FTEs)	339	*342*	**327**

Note : Please note that this financial table has not been audited.

The variance between the authorities and actual spending is mainly due to lower than anticipated expenditures related to the business transformation generated by the government's change in procurement strategic direction. The FTE decrease is attributed to unadjusted authority transfers between Supply Operations Stewardship and Acquisition Services which is reflecting an increase.

Program Activity	Planned Results	Actual Results
Management and administration of the department's acquisition policy; contract quality assurance; professional development; and vendor performance review; and other activities that support program delivery.	• Procurement community is satisfiedwith the policy advice, quality assurance, strategic planning and human resources support provided. • Corporate goals related to professional development are met. • Federal employees' knowledge of green procurement increases.	**Percentage of satisfied employees:** • 93% of employees are proud of the work carried out in their work unit (Q33: the same as 2002; PWGSC 91%); • 96% are strongly committed to making Acquisitions successful (Q86: down 1% from 2002; PWGSC 95%); • 84% are satisfied that the organization treats them with respect (Q87: down 4% from 2002; PWGSC 84%); • 78% of employees believe that Acquisitions is a good place to work (Q88: down 8% from 2002; PWGSC 79%); and • 78% are satisfied with their careers in the public service (Q89: up 2% from 2002; PWGSC 77%). **Percentage of achieved official language targets:** • 59% of AB positions are bilingual. • 84% of AB employees meet language requirements of position. **Percentage of minimum training investment:** • 44% of AB employees participated in 3 or more days of training (AB's minimum training investment/year); • 91% of AB employees with learning plans received training. **Number of outreach sessions provided to federal employees:** • Acquisitions assisted OGGO with 15 client consultations in 2006-2007. It should be noted that the lead responsibility for informing federal clients was transferred to OGGO in 2005-2006.

INFORMATION TECHNOLOGY

PWGSC's Information Technology Services (ITS) provides IT services to other government departments, including electronic access by Canadians to government information and services, and manages PWGSC's internal Information Management/Information Technology (IM/IT) services. It manages voice and data networks, data centres, distributed computing applications, Secure Channel, and information management enabling services.

ITS provides key leadership in supporting government-wide IT transformation initiatives and PWGSC's modernization. ITS works closely with client departments and agencies to understand and respond to their IT requirements, while delivering highly reliable, cost-effective and secure IT services and solutions.

ITS supports PWGSC's two strategic outcomes through three program activities:

Quality Services
- IM/IT Services;
- Telecommunications Services Revolving Fund; and

Sound Stewardship
- IM/IT Stewardship

The 2006-2007 three program activities' expenditures and actual results are summarized at the end of this ITS section.

Performance by 2006-2007 Priorities

The strategic change and improvement initiatives impacting the results of our program activities are presented by the PWGSC strategic priorities, as follows:

- Transforming our Business;
- Delivering Projects of National Importance; and
- Supporting the Government's Strategic Agenda.

Key Facts*

- Enabled Canadians to access 130 federal government services online.
- Assisted in providing citizens and businesses secure access to online government services.
- Provided effective and efficient technology solutions for other government departments, enabling them to focus on their core programs and service delivery to Canadians.
- Printed 79 million cheques and 27 million non-cashable items.
- Issued over 5 million epasses through Secure Channel which provided Canadians and businesses with on-line credentials to access government services (includes 2.2 million online submissions for Census 2006).

**Source: PWGSC databases, Sustainable Development Strategy Report.*

Transforming our Business

The IT Shared Services (IT-SS) initiative, which primarily supports the *IM/IT Services Program Activity*, is a major component of the government's overall plan to consolidate IT infrastructure services and facilities to ensure effective, efficient and cost-conscious technology solutions. This complements the ongoing delivery of services currently provided to departments and agencies in the areas of telecommunications, network infrastructure and computing.

IT Services, in growing the IT-SS initiative, views the government, holistically, as an enterprise whose goal is to reduce technical complexity and increase interoperability and information exchange. Under this approach, departments and agencies will continue to have the flexibility to deliver their own programs and services, while the government as a whole will achieve more efficient, cost-effective operations through economies of scale and standardization.

ITS worked with six organizations (Canada School of Public Service, Health Canada, Veterans Affairs Canada, Parks Canada, Public Works and Government Services Canada and Privy Council Office) to transfer IT services to a shared services model. Health Canada's service desk and all of the Canada School of Public Service's IT services have completed the transfer, while others are at various stages of transition.

In 2006-2007, ITS established an ambitious change agenda to strengthen internal PWGSC IM/IT methods and procedures, in order to create a leading edge, best practice organization. During this period a seven-point IM/IT change agenda was approved and implementation is now well under way. This initiative included the implementation of a best practice business model that focuses on clients and service delivery. The model, which enhances our ability to deliver services, is divided into the three phases of IM/IT service provisioning: plan, build and operate.

Accomplishments, directly supporting the *IM/IT Stewardship Program Activity*, included:

- Development of frameworks for Governance, IM/IT Investments and PWGSC Enterprise Architecture;
- Development of a draft IM/IT Strategy;
- Implementation of a Project Delivery Office; and
- Development and implementation of IT security components to ensure compliance with the government's IM/IT Security Policy and Standards.

IM/IT is a critical component of PWGSC's transformation initiatives. During 2006-2007, ITS provided strategic advice, technical solutions and support to other departmental transformation initiatives including:

- Real Property's Business Systems Renewal Project;
- Finance's Business Process Reengineering and Systems Migration;
- Acquisitions' Government of Canada Marketplace and Shared Travel Services Initiative;
- Human Resources' renewal initiative; and
- Receiver General and Public Service Compensation's Pay and Pension Modernization projects.

Delivering Projects of National Importance

ITS began the year working on three major initiatives - the Shared Travel Services Initiative (STSI), the Government of Canada Marketplace (GoCM) and the closeout of Government On-Line (GOL).

ITS transitioned the STSI from a Major Crown Project to a Government of Canada program and transferred it to the Acquisitions Branch in October 2006.

The GoCM, an Internet-based tool that provides Government of Canada employees with simplified access to an electronic catalogue of goods and services, was informally launched in December 2006. It is a key initiative of PWGSC's procurement transformation agenda.

The GOL initiative was successfully completed in September 2006 with the GOL closeout submission, which was approved by the Treasury Board. The GOL initiative was the primary catalyst for Canada being recognized internationally by an independent authority, five years in a row, as the government most connected to its citizens online. Canadians, businesses and international clients now have a more accessible government, where information and services are organized according to their needs, and are available 24/7 around the world, in English or French.

Supporting the Government's Strategic Agenda

The *IM/IT Stewardship Program Activity* is supported through ITS's outcomes-based management model, which rigorously measures and monitors all aspects of its operations, plans and projects. This model enabled ITS to quickly identify variances. During the monthly senior executive review in January 2007, a Secure Channel performance variance was noted and quickly resolved with the vendor. In March 2007 the Daylight Saving Project, consisting of over 500 changes across thousands of infrastructure components, was implemented without incident.

Operational excellence was further enhanced through the Services Management Improvement Program (SMIP). ITS implemented a client-centred external service delivery strategy that drives efficiencies; respects client privacy rights; reflects an enterprise view of government services; and results in effective service delivery. It measured the effectiveness of service delivery, the results of which were used to improve processes and, where appropriate, migrate clients to lower cost solutions. Resulting improvements are projected to produce $3.5 million in savings for 2007-2008.

The Records, Documents and Information Management System (RDIMS), an IT Shared Service launched in September 2005 to improve the collection and alignment of information, met its 2006-2007 targets of 60,000 active licenses and participation of more than 50% of government departments and agencies.

ITS also achieved major accomplishments with Secure Channel such as:

- Enabling 2.2 million citizens to submit the 2006 Census online via the internet, resulting in it being awarded a gold medal for "Innovative E-Government Pilot Projects;"
- Receiving the Canadian Information Productivity Award for the second year in a row; and
- Stabilizing funding and formalized commitment and support for the use of Secure Channel's new cost recovery business model.

Performance by Program Activity

In the following tables, we identify the commitments made in our *Report on Plans and Priorities 2006-2007*, as well as our performance against those commitments through three program activities: *IM/IT Services*; *Telecommunications Services Revolving Fund*; and *IM/IT Stewardship*.

IM/IT Services (Strategic Outcome: Quality Services)

(in millions of dollars)

Net Expenditures 2006-2007	Planned Spending	Total Authorities	Actual
Operating and Statutory Votes			
Gross Expenditures	283.3	*459.3*	455.1
Less: Respendable Revenues	140.1	*196.0*	196.0
Net Expenditures	143.2	*263.3*	259.0
IM/IT Services Full-Time Equivalents (FTEs)	1,506	*1,547*	1,587

Note : Please note that this financial table has not been audited.

The operating vote variance between the total authorities and actual spending is due to long -term contract savings related to the Secure Channel project as well as to procurement delays and increase in business volume late in fiscal year.

Program Activity	Planned Results	Actual Results
Provision of IM/IT solutions to the Government of Canada, including infrastructure, design, and leadership of major government-wide service projects.	Shared services and systems used by departments and agencies.	• **Number of IT Shared Services implemented:** The product catalogue now contains 62 shared services. A product maturity index will be used to further assess the readiness of these services. • **Percentage of GC programs supported directly by PWGSC shared services:** 98% of GC online programs supported via the secure channel network. • **Percentage of IT services offered by PWGSC that are shared services:** 100 % of IT products (62) in the catalogue were offered as shared services. • **Percentage of PWGSC Information Technology Shared Services Organization (IT-SSO) IT spending vs. GC-wide IT spending:** The IT-SSO has not received government approval and was not implemented in 2006-2007. Reliable GC IT spending information is dependent upon full implementation of the GC IT services profile and government-wide chart of accounts.

Telecommunications Services Revolving Fund (Strategic Outcome: Quality Services)

(in millions of dollars)

Net Expenditures 2006-2007	Planned Spending	Total Authorities	Actual
Operating and Statutory Votes			
Gross Expenditures	135.8	*135.8*	**161.3**
Less: Respendable Revenues	135.8	*135.8*	**168.2**
Net Resources (Provided) Used [Note1]	-	-	**(6.8)**
Telecommunications Services Revolving Fund Full-Time Equivalents(FTEs)	194	*194*	**183**

Note : Please note that this financial table has not been audited.

Telecommunications Services Revolving Fund actuals were higher than anticipated due to a large increase in revenue and cost of sales attributable to the Network Equipment Support Services (NESS) being implemented along with client growth in some of our other services.

Note 1: The amounts reported for the Telecommunications Services Revolving Fund are on a modified cash basis.

Program Activity	Planned Results	Actual Results
Provision of network and infrastructure services; voice telecommunications services; satellite services; and managed services. This activity is the only one currently managed through a fully compensatory client-paid revolving fund.	Departments and agencies receive competitively priced and innovative business solutions, leading to government-wide cost savings.	• **Break-even or surplus in Revolving Fund:** 2006-2007 surplus was $6.8M • **Client engagement levels (market penetration):** – RF revenue increased by 27.9% as a result of the IT Shared Services initiative (exceeded 10% growth target) – Over 90% of GC voice communication as per target – 52 of 100 GC data communications networks (exceeded target of 50) – Management of 20 GC data communications networks – 100% of GC Wireless communications (Cell/PDA) as per target – About 95% of federal government organizations use Secure Channel • **New services managed within revolving fund portfolio:** Business cases for new shared services include: – Cable plant management - under development – Communications services through Voice over IP

IM/IT Stewardship (Strategic Outcome: Sound Stewardship)

(in millions of dollars)

Net Expenditures 2006-2007	Planned Spending	Total Authorities	Actual
Operating and Statutory Votes			
Gross Expenditures	10.4	*15.0*	**15.0**
Less: Respendable Revenues	0.6	*0.8*	**0.8**
Net Expenditures	9.8	*14.2*	**14.2**
IM/IT Stewardship Full-Time Equivalents (FTEs)	97	*125*	**126**

Note : Please note that this financial table has not been audited.

Program Activity	Planned Results	Actual Results
Provision of IM/IT standards, architecture, engineering, security, client interface/relationship, branch program management, strategy and governance.	Sound leadership of IM/IT resources in GC.	• **Percentage of business cases for enterprise services:** 100% (all five of IT Services' business cases developed were for enterprise services). • **Client Engagement in business cases:** business cases were developed in collaboration with the GC client community including, DND and Service Canada.

RECEIVER GENERAL AND PUBLIC SERVICE COMPENSATION

PWGSC manages the Receiver General and Public Service Compensation functions of the government.

The organizations supporting the Receiver General function manage the operations of the federal treasury, including issuing payments and collecting revenue for all government departments; preparing the Public Accounts; and producing the government's Monthly Statements of Financial Operations. These activities ensure the government's financial stability and public confidence through accurate and timely issuance of payments to Canadians and reporting of the government's financial activities. For example, the Public Accounts are subject to the single largest annual audit conducted by the Office of the Auditor General. As a result of the Receiver General's ongoing efforts, the Auditor General has named Canada a world leader in financial reporting by a national government.

As Canada's largest payroll and pension administrator, Public Service Compensation provides payroll, benefits and pension plan administration services for the Public Service of Canada. This includes: the administration of payroll, pension and insurance services for public service employees and pensioners; specialized pension services and dental plan services for the Canadian Forces, Lieutenant Governors and Diplomatic Services pensioners; payroll and dental insurance services for members of the RCMP; and pay and pension services for current and former Members of Parliament.

Public Service Compensation helps departments and agencies achieve their objectives through automated compensation services and some integration of its central pay system with their human resources systems. This integration allows them to administer pay and benefits in accordance with collective agreements and compensation policies established by the Treasury Board Secretariat and certain separate employers, as well as to fulfil the requirements of the *Public Service Superannuation Act.*

*Key Facts**

The Receiver General:

- Issued 252 million payments in almost 150 countries.
- Handled more than $1.5 trillion in cash flows.
- Issued payments on behalf of seven provinces and three territories as part of joint initiatives with federal departments.
- Produced the Public Accounts for 175 departments, agencies, Crown corporations and other business entities.
- Worked to reduce the annual cost of payment operations by 34% since 1995-1996, even as volume increased by 22%.

Public Service Compensation:

- Administered centrally the pay accounts of 307,000 public servants and pension accounts of 332,000 pensioners, making it Canada's largest payroll and pension administrator.
- Issued approximately 13 million pay and pension payments a year.

**Source: PWGSC databases*

Through the use of systems and processes and a complex and wide-ranging network of partnerships and alliances, the organization contributes significantly to the integrity, transparency and accountability of government transactions. Receiver General and Public Service Compensation are central functions that contribute to the achievement of the government's objectives of quality and cost-efficiency.

Receiver General and Public Service Compensation (RGC) supports PWGSC's two strategic outcomes through five program activities:

Quality Services
- Receiver General Services;
- Public Service Compensation Services;

Sound Stewardship
- Receiver General Stewardship;
- Public Service Pay Stewardship; and
- Public Service Pension Stewardship.

The expenditures and actual results for 2006-2007 for the above program activities are summarized at the end of this RGC section.

Performance by 2006-2007 Priorities

The strategic change and improvement initiatives impacting the results of our program activities are presented by the PWGSC strategic priorities, as follows:

- Strengthening Accountability and Transparency;
- Transforming our Business; and
- Supporting the Government's Strategic Agenda.

Strengthening Accountability and Transparency

In 2006-2007, in support of the *Receiver General Stewardship Program Activity*, the branch continued to improve reporting to Parliament and to the public. The Monthly Statements of Financial Operations were consistently produced according to schedule within established standards. The *2005-2006 Public Accounts of Canada* were produced in compliance with the schedule established with the Office of the Comptroller General, Department of Finance and the Office of the Auditor General. For these Public Accounts, a new accounting standard regarding the government reporting entity was retroactively adopted, introducing some organizations not previously included in the financial statements.

The Auditor General of Canada commented in her observations that this results in a financial statement that presents the government's financial position more completely and fairly. Control frameworks, quality assurance programs and continuous risk management contribute to the Receiver General and Public Service Compensation's ability to maintain its core operations.

Transforming our Business

Today's pay and pension systems use outdated technology and rely on the expertise of staff due to retire in the next few years. The business processes are complex and heavily dependent on manual intervention.

Participation in two benchmarking groups, one national and one international, has confirmed that the cost of delivering public service pension services is amongst the highest of those organizations surveyed. This is attributable to the limitations of the legacy systems supporting the business.

Two pay benchmarking studies conducted in the past fiscal year identified that PWGSC falls in the bottom range of performance measures for cost (four times more costly than the benchmark median), quality/efficiency (40% worse than the benchmark) and cycle time (60% worse than the benchmark), where it is dependent upon upstream human resources processes (compensation advisor pay data input) and technology, and where there has been less investment in modern systems and automation.

Two initiatives are under way in pension administration to replace the systems and modernize the services and processes: the Government of Canada Pension Modernization Project (GCPMP) and the Centralization of Pension Services Delivery and Pay Modernization.

Pay Modernization Project

The Pay Modernization Project will renew PWGSC's pay administration business processes and legacy pay systems using a commercial off-the-shelf pay solution. The modernized pay solution will address operational sustainability issues; provide greater flexibility and improved functionality including seamless integration of the Government of Canada payroll and human resource systems; and enable operational savings from efficiencies gained with the introduction of self-service.

The business case for the Preliminary Project Approval was done with the Treasury Board Secretariat (TBS). Iterative exchanges of information and analysis with TBS contributed to firm up the business case. Three other key activities were initiated: business process mapping; gathering and documenting of business requirements for the future; and conducting of two detailed benchmarking studies to compare the GC payroll administration processes, quality and costs to those of industry.

The Pay Modernization Project team has also ensured alignment with, and participation in, related GC horizontal initiatives; the Corporate Administrative Shared Services initiative and the Canada Public Service Agency's streamlining of government human resources processes.

Delivering Projects of National Importance

Pension Modernization Project (GCPMP)

In support of the *Public Service Compensation Services Program Activity,* the objective of the project is to replace outdated technology and business processes by a multi-plan solution based on commercial off-the-shelf software products that will ensure ongoing sustainability of pension administration and enable industry standard levels of service.

Since receiving Preliminary Project Approval we have defined 16 key business processes and developed the business renewal strategy. We have also completed the new system architecture and developed plans for implementation, including the conversion and release strategies. The project's management processes have been audited internally and are considered appropriate to the successful management of the project. Substantive cost estimates for Crown and vendor implementation activities have been developed and they have been validated by two external audits.

Further information on the Pension Modernization Project may be found in *Section III — Table 12* or on our website at: http://www.tpsgc-pwgsc.gc.ca/reports/text/dpr_2006-2007/rpe-cpt-e.html.

Centralization of Pension Services

In conjunction with the Pension Modernization Project implementation of new technology and business processes, pension services to employees who are members of the *Public Service Superannuation Act* pension plan will be centralized progressively, consolidating the delivery within a centre of expertise in PWGSC. This year, the centralization of the retirement planning information sessions was completed to add the already centralized Division of Pension Benefits and Pension Transfers. The level of client satisfaction for these services has increased from 66% to an average of 79%. A business case was finalized for Effective Project Approval for centralizing the remaining nine pension services in PWGSC with associated savings.

Supporting the Government's Strategic Agenda

During the year, we expanded existing optional services related to document imaging and automated data capture. These services accounted for 29 Full-Time Equivalent positions in 2006-2007. As part of our objective to provide new cost-effective services to government departments, PWGSC set up a satellite office of its National Capital Area Compensation Services in Matane, Quebec. Furthermore, preliminary plans were initiated to establish a satellite office of PWGSC Regional Pay System operations in Matane for implementation in 2007-2008.

Foreign banking arrangements helped to improve payment processes for the Department of National Defence for paying local suppliers in Kandahar. To improve relations, the Canadian Forces needed a simple and rapid means to pay suppliers and others in Kandahar in local currency. This proved challenging because of the difficulties associated with buying Afghani currency, which is not directly available through Canadian banks.

With the objective of measuring the efficiency and effectiveness of the Receiver General's operations, we engaged an independent third party to undertake a benchmarking review against comparable operations in the public and private sectors. Although the initial analysis determined that it was not possible to find comparable benchmarks in the public and private sectors due to the complexity and uniqueness of operations, the study concluded that the Receiver General has established its operations so as to render them efficient and effective and that the vast majority of leading practices are in place.

In 2006-2007, the volume of activity continued to increase in Compensation Administration following increases of 6% and 3.5% in the previous two years.

Although the national level of service to departments and agencies for pay and pension interventions improved by 2% over the previous year, the overall average of 88% was still below the 95% standard. This was due to a number of factors including a decrease in the quality of data received from departments, a lack of trained/qualified resources and the deployment of skilled resources to other priorities. As well, a national survey conducted at year-end indicated that client satisfaction has suffered somewhat, declining 13% (to 81%) from the 94% attained in the previous survey conducted two years ago.

Measures taken to address both of these issues include: closer monitoring of budgetary provisions to ensure funds are deployed to areas where they will have the most impact; seeking additional funding, where required, for recruitment and training; and implementing stringent quality control measures.

In the pension administration area, significant improvements have been made to meet the level of service standard for processing prior service purchase options. While the present number of non-finalized files over the 275-day objective is at its lowest for the last 10 years, reaching less than 2,000, challenges remain in closing the gap between the actual processing result of 73.2% and the 90% service standard. Means are being put in place to improve management of the workload, increase production levels and ensure that effective controls are in place to monitor and follow up on requests for required documentation.

Direct Deposit

In 2006-2007, direct deposit participation increased by an additional 5.3 million for a total of 172 million direct deposit payments. Already available in Canada and the United States, this method of payment was established in Australia, New Zealand and 12 European countries. Enrolment in the foreign direct deposit program is as high as 55.8% of eligible recipients, depending on the country. The direct deposit program eliminated requirements for some 2,500 metric tonnes of paper last year, saving approximately 50,000 trees.

Receiver General Settlement Streamlining

In 2006-2007, a new cheque format was developed that adheres to the industry-wide standard, offers increased security, and simplifies the cheque management and printing process. Testing with the financial institutions is scheduled to start in 2007-2008.

Enhancement of Current Pay Systems

Compensation Web Applications (CWA) provide employees with easy, online secure access to pay, benefits and pension information as well as tools to calculate pay and pension-related projections. Deployment of CWA continued across the Government of Canada. In departments where CWA was launched, 102,000 employees have access to the site and now have the option to choose not to receive the printed version of their pay stub. This new feature will reduce the usage of paper and, in turn, contribute to the greening of government and the environment.

Performance by Program Activity

In the following tables, we identify the commitments made in our *Report on Plans and Priorities 2006-2007*, as well as our performance against these commitments through five program activities: *Receiver General Services; Public Service Compensation Services; Receiver General Stewardship; Public Service Pay Stewardship;* and *Public Service Pension Stewardship.*

Receiver General Services (Strategic Outcome: Quality Services)

(in millions of dollars)

Net Expenditures 2006-2007	Planned Spending	Total Authorities	Actual
Operating (including Special Purpose Allotment) and Statutory Votes			
Gross Expenditures	11.2	*10.0*	10.7
Less: Respendable Revenues	2.4	*3.4*	3.4
Net Expenditures	8.8	*6.6*	7.3
Receiver General Services Full-Time Equivalents (FTEs)	52	*61*	49

Note : Please note that this financial table has not been audited.

The variance between the authorities and actual spending is due to an expenditure coded by error in this progarm activity instead of the Receiver General Stewardship.

Program Activity	Planned Results	Actual Results
Maintenance operations for the Departmental Financial Management System.	Receiver General Services are timely, efficient and delivered within defined service standards.	• Service levels for 16 clients were met or exceeded as established in Memoranda of Understanding 100% of the time. Two releases to production in September 2006 and February 2007 were delivered on time and within budget. • The system was available 99% of the year and 100% of transactions took less than 5 seconds.
Provision of optional document-imaging services for departments.	Business development is based on growing imaging expertise.	• In the domain of imaging, the standard for level of services was met most of the time.
Provision of optional payment-related printing such as tax information statements and pay statements.		• 100% of statements were issued according to schedule.

Public Service Compensation Services (Strategic Outcome: Quality Services)

(in millions of dollars)

Net Expenditures 2006-2007	Planned Spending	Total Authorities	Actual
Operating (including Special Purpose Allotment) and Statutory Votes			
Gross Expenditures	3.6	*4.6*	4.4
Less: Respendable Revenues	1.9	*2.6*	2.6
Net Expenditures	1.7	*2.0*	1.9
Public Service Compensation Full-Time Equivalents (FTEs)	50	*56*	52

Note : Please note that this financial table has not been audited.

The variance between the authorities and actual spending is mainly due to the Corporate Management allocation.

Program Activity	Planned Results	Actual Results
Administration of payroll, pension and health/disability insurance processes for public service employees and pensioners.	Communications to public service employees and pensioners via pay envelope inserts are provided in a timely manner.	• 29 pay inserts were distributed on time in accordance with sponsors' requirements, meeting service standards 100% of the time.
Provision of pension services to the Department of National Defence (DND).	Administration of pensions for Canadian Forces annuitants.	• Pension actions for the DND pension system were successfully processed within service standards 99.5% of the time.

Receiver General Stewardship (Strategic Outcome: Sound Stewardship)

(in millions of dollars)

Net Expenditures 2006-2007	Planned Spending	Total Authorities	Actual
Operating (including Special Purpose Allotment) and Statutory Votes			
Gross Expenditures	148.2	*155.8*	146.0
Less: Respendable Revenues	21.3	*18.0*	18.0
Net Expenditures	126.9	*137.8*	128.0
Receiver General Stewardship Full-Time Equivalents (FTEs)	520	*494*	423

Note : Please note that this financial table has not been audited.

The variance between the authorities and actual spending is due to the following factors : The reallocation of sound management cost, an expenditure coded to Receiver General Services instead of Receiver General Stewardship, and, in the Special Purpose Allotment : retroactive triennial costs not required; lower credit card volumes; lower postage requirements for the Universal Child Care Benefit (UCCB) program as a result of higher than anticipated enrolment in direct deposit; and lower infrastructure costs for the Receiver General Settlement Streamlining (RGSS) project. These surpluses were not allocated to other priorities due to funding mechanism restrictions.

Program Activity	Planned Results	Actual Results
Maintenance of high-quality support for the Consolidated Revenue Fund (CRF) and the Accounts of Canada (revenue collection, cash management operations, payment services, Public Accounts, Monthly Statement of Financial Operations, Central Accounts).	The integrity of the CRF and the Accounts of Canada is preserved. Functions essential to the financial safety and security of the Canadian public are executed effectively.	• The Monthly Statements of Financial Operations were produced on a yearly average 24.4 days after month-end, exceeding the performance target of 25 days. • 99.99% of payments were issued according to standard. • Daily authorization to the Bank of Canada for all outflows from the CRF was on schedule 96.6% of the time. • The 2005-2006 Public Accounts were produced as per schedule. This was the eighth consecutive year that a clean audit opinion was given by the Office of the Auditor General. • Cheque reconciliation was performed within 24 hours 99% of the time. • The reconciliation of deposits to the credit of the Receiver General was completed within two business days 95% of the time.

Public Service Pay Stewardship (Strategic Outcome: Sound Stewardship)

(in millions of dollars)

Net Expenditures 2006-2007	Planned Spending	Total Authorities	Actual
Operating (including Special Purpose Allotment) and Statutory Votes			
Gross Expenditures	31.3	*41.0*	39.7
Less: Respendable Revenues	3.6	*7.8*	7.8
Net Expenditures	27.7	*33.2*	31.9
Public Service Pay Stewardship Full-Time Equivalents (FTEs)	379	*383*	422

Note : Please note that this financial table has not been audited.

The variance between the authorities and actual spending is mainly due to the Corporate Management allocation. Other factors such as delays in staffing and revenues higher than expected explain the remaining portion of the variance.

Program Activity	Planned Results	Actual Results
Administration of payroll and health/disability insurance processes for public service employees and pensioners.	The integrity of pay and benefits administration is assured.	• Service-level standards for pay and pension transactions processed in the pay system were met 88% of the time, 7% below the service level standard of 95%. Results of the biennial Client Satisfaction Survey indicated that client departments were satisfied with services 81% of the time. This represents a 13% decrease since the last biennial survey. • Service-level agreements for systems reliability were met consistently. Minimal payroll processing disruptions were experienced while maintaining accuracy in the collection and remittance of deductions. • 190 collective agreements, letters of authority and pay rate changes were implemented accurately and effectively within the required timeframe. • Policy changes were implemented in a timely manner, meeting defined requirements and committed delivery timeframes.

Public Service Pension Stewardship (Strategic Outcome: Sound Stewardship)

(in millions of dollars)

Net Expenditures 2006-2007	Planned Spending	Total Authorities	Actual
Operating (including Special Purpose Allotment) and Statutory Votes			
Gross Expenditures	64.3	*77.8*	75.9
Less: Respendable Revenues	44.1	*52.6*	52.6
Net Expenditures	20.2	*25.2*	23.3
Public Service Pension Stewardship Full-Time Equivalents (FTEs)	679	*781*	804

Note : Please note that this financial table has not been audited.

The variance between the authorities and actual spending is mainly due to the Corporate Management allocation.

Program Activity	Planned Results	Actual Results
Administration of pension processes for public service pensioners.	Assurance of the integrity of pension administration.	• Initial pension payments were made within established standards 99.3% of the time (standard is 95%). Service standards for prior service purchases were not met, reaching an average of 73.2% of claims processed before the 275-day objective in 2006-2007, compared with the 90% goal. Service standards for provision of estimates of pension benefits within 5 days were met 97.3% of the time (standard is 90%). • Pension system service-level agreements were met consistently during this reporting period. Minimal processing disruptions were experienced while maintaining accuracy of pension data. • Policy changes were implemented in a timely manner, meeting defined requirements and within committed delivery timeframes.

CONSULTING, INFORMATION AND SHARED SERVICES

Consulting, Information and Shared Services (CISS) has undergone significant changes since 2005 with the transfer of a number of programs (refer to Crosswalk of CISS Programs). In order to conform to the reporting structure of the *Report on Plans and Priorities 2006-2007* and our approved Program Activity Architecture reporting structure, only the results of the original components of CISS (formerly Government Information and Consulting Services) are reported in this section.

CISS provides four distinct common services: government communications, public sector management, shared services and industrial security:

- Communications Services makes government information easily accessible to Canadians and government through Public Opinion Research and Advertising Coordination, the *Canada Gazette*, Canadian Government Publishing and Depository Services programs, Crown Copyright and Licensing, Electronic Media Monitoring, and the Government of Canada Exhibitions Program;
- Government Consulting Services provides public service consulting expertise that improves public sector management;
- Shared Services Integration supports four shared corporate administrative systems, and provides HR services to small departments and agencies; and
- Industrial Security assesses individuals and companies to ensure that they meet security requirements for government contracts involving access to sensitive information and assets and handling of controlled goods.

Throughout 2006-2007, in addition to completing the transition of the Public Access Programs to Service Canada, the branch concluded its internal transition activities to integrate Government Consulting Services, Shared Services Integration, and Industrial Security with its existing Communications Services.

Crosswalk of CISS Programs

Government Information Services

- In the *2006-2007 Report on Plans and Priorities*, commitments for CISS appeared under the transitional name of Government Information and Consulting Services.
- In 2006-2007, the name was changed to Consulting, Information and Shared Services (CISS) and its mandate was updated as follows:

Former Public Access Programs

- As the accountabilities for 1 800 O-Canada, Canada Site, Publiservice, and Gateways and Clusters services were transferred by an Order-in-Council on September 12, 2005, these services are addressed by Service Canada in the *Departmental Performance Report* of Human Resources and Social Development Canada (HRSDC).
- Public Access Programs' spending authority will be transferred from PWGSC to HRSDC in the 2007-2008 Supplementary Estimates, as approved by the Treasury Board.

Government Consulting Services

- 2006-2007 results and highlights for Government Consulting Services are provided in the Consulting and Audit Canada section of this report.

Former Business Integration Services

- In February 2006, Industrial Security and Shared Services Integration were transferred to CISS. These programs are discussed in the Business Integration section of this report.

Consulting, Information and Shared Services supports PWGSC's two strategic outcomes through two program activities:

Quality Services

- Government Information Services; and

Sound Stewardship

- Government Information Stewardship.

The expenditures and actual results for 2006-2007 for the above activities are summarized at the end of this CISS section.

Performance by 2006-2007 Priorities

The strategic change and improvement initiatives impacting the results of our program activities are presented by the PWGSC strategic priorities, as follows:

- Transforming our Business;
- Strengthening Accountability and Transparency; and
- Supporting the Government's Strategic Agenda.

Transforming our Business

At the beginning of 2006-2007, the new CISS branch was fragmented, with incomplete internal corporate support functions providing services to the branch's business lines and the Consulting and Audit functions of the now segregated Consulting and Audit Canada.

CISS successfully "right-sized" its support functions to meet the needs of its four business lines. Economies were generated by eliminating positions with overlapping responsibilities. Some support positions were transformed into revenue-generating positions for Government Consulting Services (GCS).

The branch required a strong foundation to ensure the integrity of operations. Work groups were created to target key areas to strengthen the focus on delivery during the transition. These areas included governance and organizational design, integration of support services, and strengthening the management control framework.

As part of its transition activities, CISS refocused GCS to offer services requiring public sector expertise in support of government initiatives such as sustainable development strategies, public service renewal, human resources management modernization, and program evaluations. In 2007-2008, CISS will engage key GCS clients to further refine service offerings.

Strengthening Accountability and Transparency

In response to the November 2005 Auditor General's Report, Chapter 2, *"The Quality and Reporting of Surveys,"* Public Opinion Research and Advertising Coordination (PORAC) created an advisory panel on telephone survey quality. The panel comprised public and private sector subject matter experts. The initiative's objective is to strengthen the quality of telephone surveys conducted on behalf of the government by developing survey standards and guidelines for departments. The panel made a range of recommendations focusing on ways to address the long-term, worldwide trend toward declining response rates.

The report has been made available to the public, the marketing research industry and the public

Key Facts*

- The *Canada Gazette* met all legislated deadlines while achieving an error rate of less than 0.1%.
- Publishing programs distributed over 1.2 million items and over 3 million publications were downloaded directly from its website.
- 80 federal departments and organizations accessed 47 electronic news sources through Electronic Media Monitoring's (EMM) license contracts.
- The Government of Canada Exhibitions Program coordinated 10 Canada Pavilion and 17 Federal Presence events across the county, welcoming 540,000 visitors.
- Advice and counsel were provided on over 630 registered advertising initiatives and over 560 public opinion research projects to GC communicators.

**Source: PWGSC databases, Integrated Publications Management System, Publications.gc.ca, EMM client list, Advertising Management Information System, Research Information Management System, Financial Management System.*

opinion research community within the federal government. Recommendations from the report will guide the development of new public opinion research contracting tools. This work contributed directly to the *Government Information Stewardship Program Activity.*

In support of the *Federal Accountability Act* and Action Plan, PORAC provided advice and support to the Treasury Board Secretariat that assisted in developing amendments to the *Communications Policy of the Government of Canada* by:

- adding a statement emphasizing that the bidding process for contracting of public opinion research and advertising activities be open, fair and transparent;
- including a new definition of advertising to distinguish it from non-paid messages such as public service announcements, and from supporting services such as public relations and event management; and
- requiring departments to provide written public opinion research reports and to make them available to the public through the Library of Parliament and Library and Archives Canada within six months of completion of field work.

With continual improvement to management controls and processes over the past three years, PORAC received a favourable assessment in the February 2007 Auditor General's Report, Chapter 1, "*Advertising and Public Opinion Research.*" The report made no critical observations or recommendations for improvement.

Supporting the Government's Strategic Agenda

Through its commitment to the *Government Information Services Program Activity,* CISS provides communications services to citizens and other government departments based on the *Communications Policy of the Government of Canada.*

CISS carried out client satisfaction surveys in 2006-2007. Client satisfaction ratings for CISS communications services were high, ranging from 77% to 97%.

CISS is responsible for publication of the *Canada Gazette* within legislated timelines. In 2006-2007, the *Canada Gazette* met all legislated deadlines and maintained an error rate of less than one tenth of a percent.

The *Canada Gazette* initiated a pilot project to gauge the feasibility of and interest in an interactive online tool to educate future Canadian voters. Focus group sessions led to a realignment of the initiative. The *Canada Gazette* will now partner with Library and Archives Canada to develop a fully digitized, indexed online research tool to chronicle the history of the *Canada Gazette.* This tool will assist the work of researchers, librarians, genealogical associations and the legal community. One section will be dedicated to educational resources for secondary school curricula.

Publishing and Depository Services (PDS) continued to make government publications accessible to Canadians in print and electronic versions. In 2006-2007, PDS:

- increased the number of downloadable titles available on its website from 25,000 to 40,000. The publications website and database now contain over 120,000 records; and,
- launched the "Client Care Module" on the publications website enabling Canadians to access their account information online. In addition, PDS can now send e-notifications to clients, thus reducing some processing, printing and distribution costs.

The Government of Canada Exhibitions Program (GCEP) informs Canadians about government priorities, programs, services and access channels at exhibitions and events across Canada. Coordination of government participation at events ensures economies of scale by co-locating

individual departments and programs at events in all parts of Canada. Through the Canada Pavilion, the program provides Canadians with one-stop access to a broad range of government programs and services and how to access them.

In 2006-2007, GCEP:

- coordinated 10 Canada Pavilion and 17 Federal Presence events across the country;
- coordinated the participation of 19 programs from 10 departments at Americana 2007, a high-profile, international environmental technology conference; and
- coordinated a Government of Canada presence at the Federation of Canadian Municipalities conference held in Montreal.

Performance by Program Activity

In the following tables, we identify the commitments made in our *Report on Plans and Priorities 2006-2007*, as well as our performance against those commitments through two program activities: *Government Information Services*; and *Government Information Stewardship*.

Government Information Services (Strategic Outcome: Quality Services)

(in millions of dollars)

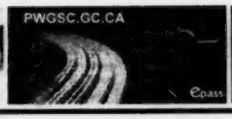
Net Expenditures 2006-2007	Planned Spending	Total Authorities	Actual
Operating, Grants and Contributions and Statutory Votes			
Gross Expenditures	43.6	*40.9*	**40.0**
Less: Respendable Revenues	11.3	*9.2*	**9.2**
Net Expenditures	32.3	*31.7*	**30.8**
Government Information Services Full-Time Equivalents (FTEs)	201	*216*	**180**

Note : Please note that this financial table has not been audited.

Consulting, Information and Shared Services Branch (CISSB) includes activities for Government Information Services and Stewardship, as well as Business Integration Services and Consulting Services. CISSB ended the year at almost break-even (0.8% variance overall) because, in accordance with the *Policy on Special Revenue Spending Authorities*, the branch covered the Consulting shortfall under the Consulting and Audit Canada Revolving Funds.

This table also includes $14.1 million of net actual expenditures relating to the Public Access Programs Sector that was transferred to Human Resources and Social Development Canada (HRSDC) by Order-in-Council of Sept 12, 2005.

Program Activity	Planned Results	Actual Results
Management of the Government of Canada's (GC) communications platform by providing multi-channel access to information on government programs and services.	Information about federal government programs and services is provided effectively and cost-efficiently using a broad range of communications channels and services that are fairly and transparently obtained.	• The activity and associated planned results were originally defined to include the activities of the Public Access Programs. PWGSC is currently working to amend the Program Activity Architecture to more accurately reflect the activities of CISS. • 90% of surveyed visitors said that the Canada Pavilion increases their awareness of GC services available to them. • 81% of surveyed visitors said that the Canada Pavilion helped to provide them with information that might otherwise have been difficult to find. • 2006-2007 client satisfaction levels: – Canada Gazette 97% – Crown Copyright and Licensing 93% – Publishing 77% – Depository Services 79% – Public Opinion Research and Advertising Coordination 80% • Government Publishing achieved its cost-recoverable financial objectives in 2006-2007. • 84% cost savings were achieved by the aggregate purchase of news sources through a centralized program. • Library community can now access Statistics Canada publications and an increased number of Natural Resources Canada maps and publications through the Depository Services Program. Savings for GC will be generated by consolidation of these orders. • The *Canada Gazette* met all legislated publication dates in accordance with the *Statutory Instruments Act* and provided simultaneous access to both print and electronic official versions. An error rate of less than one tenth of a percent was achieved.



Government Information Stewardship (Strategic Outcome: Sound Stewardship)

(in millions of dollars)

Net Expenditures 2006-2007	Planned Spending	*Total Authorities*	Actual
Operating, Grants and Contributions and Statutory Votes			
Gross Expenditures	18.2	*18.6*	20.3
Less: Respendable Revenues	0.1	-	-
Net Expenditures	18.1	*18.6*	20.3
Government Information Stewardship Full-Time Equivalents (FTEs)	64	*61*	55

Note : Please note that this financial table has not been audited.

Consulting, Information and Shared Services Branch (CISSB) includes activities for Government Information Services and Stewardship, as well as Business Integration Services and Consulting Services. CISSB ended the year at almost break-even (0.8% variance overall) because, in accordance with the *Policy on Special Revenue Spending Authorities*, the branch covered the Consulting shortfall under the Consulting and Audit Canada Revolving Funds.

Program Activity	Planned Results	Actual Results
Provision of government-wide strategic management, coordination and monitoring in the areas of advertising, public opinion research and electronic media monitoring, activities that are detailed in the *Communications Policy of the Government of Canada* and its associated procedures.	Government information services are provided from a whole-of-government perspective with transparency and accountability, and their finances are managed soundly.	• Annual reports for Public Opinion Research (POR) and Advertising Coordination were published. http://www.pwgsc.gc.ca/por/text/rpt05-06-01-e.html http://www.pwgsc.gc.ca/adv/text/index-e.html • 80% of Public Opinion Research and Advertising Coordination public servant clients said they were satisfied with the level of service received. • 90% of Public Opinion Research course participants and 89% of Advertising Coordination course participants indicated that the information received during information sessions would be useful to them in their duties. • More than 88% of surveyed sector clients are aware of policies and procedures relating to advertising and public opinion. • Public Opinion Research provided advisory services to 45 departments resulting in 562 research initiatives. • Advertising Coordination provided advisory services to 53 departments resulting in 636 media placement approvals. • Electronic Media Monitoring hosted five community practice sessions with representatives from over 20 departments.

BUSINESS INTEGRATION

Prior to February 2006, PWGSC's program activities associated with Business Integration were the responsibility of the Service Integration Branch. This branch no longer exists, and its four Business Integration functions have been reassigned: two across the department and two to the Consulting, Information and Shared Services Branch.

Until a new Program Activity Architecture has been approved by the Treasury Board Secretariat, we will report the strategic plans and initiatives of these functions against the Business Integration program activities.

Business Integration supports PWGSC's two strategic outcomes through two program activities:

Quality Services
- Business Integration Services; and

Sound Stewardship
- Business Integration Performance Management.

The expenditures and actual results for 2006-2007 for the above program activities are summarized at the end of this Business Integration section.

Performance by 2006-2007 Priorities

The strategic change and improvement initiatives impacting the results of our program activities are presented by the PWGSC 2006-2007 strategic priorities, as follows:

- Transforming our Business;
- Strengthening Accountability and Transparency; and
- Supporting the Government's Strategic Agenda.

Transforming our Business

Client Relationship Management and Engagement

The centralized PWGSC client consultancy unit in the former Service Integration Branch was phased out in 2006, with the client consultancy resources moving to Acquisitions and Real Property. This arrangement contributed to the continued support of the *Business Integration Performance Management Program Activity.*

We developed a client relationship management tool, Client Data Integration Plus (CDIPlus), to track key client issues and create a central repository of client information in PWGSC. Centralizing this information is all the more important with the phase-out of the central client consultancy unit. The various branches and regional offices will enter client information into CDIPlus.

Centralizing the client information will permit analysis across business lines and regions with client departments. That information will be supplemented by a client survey to collect key information for measuring results and, ultimately, establish performance targets.

Strengthening Accountability and Transparency

Menu of Products and Services

To give PWGSC's clients ready access to product and service details, including fee structures, a menu of products and services was drafted and installed on the CDIPlus application.

Listings for the Office of Greening Government Operations; Consulting, Information and Shared Services; and Information Technology Services are

being added to the menu. Updates planned for the coming year include the revised performance measures and fee schedules being developed.

The Treasury Board Secretariat's Service Policy Framework is resulting in a new policy suite that requires organizations to have an inventory of the services they offer. In PWGSC's case, the menu of products and services will fulfil this requirement and contribute to the *Business Integration Services Program Activity*. We will also meet the Treasury Board Secretariat's requirement to access interdepartmental service agreements by housing these agreements in CDIPlus.

Supporting the Government's Strategic Agenda

Industrial Security Sector

The Industrial Security Sector (ISS) has two main functions, both of which contribute to the *Business Integration Services Program Activity*:

- contract security clears individuals and companies for government contracts requiring access to sensitive information and assets; and
- controlled goods assesses individuals and companies who handle controlled goods to ensure that they meet security requirements.

In 2006-2007, ISS worked to improve and streamline services, facilitate access to foreign government contracting opportunities for Canadian industry, and strengthen stakeholder relationships. For example, ISS:

- completed the design and development of the Online Industrial Security Services portal, and developed the prototype for the Online Inquiry Service; once operational, authorized users from both the public and private sectors will be able to access the Online Inquiry Service to confirm the security clearance status of their employees;
- streamlined services:
  - 85% of security requirements checklists, part of the contracting process, processed within 21 days, and
  - 98% of new or renewal registrations for the Controlled Goods Program processed within 30 days;
- developed an Industrial Security Memorandum of Understanding (MOU) between Canada and Finland in November 2006 that is expected to generate millions of dollars in trade opportunities for Canadian industry. This agreement allows companies in Canada and Finland to bid on each other's sensitive government contracts and projects and is the first Canadian international agreement to cover both military and non-military contracts; and
- coordinated a joint meeting between the Industrial Security Advisory Board (ISAB), and the Government Industrial Security Advisory Board (GISAB). The session created a two-way forum, enabling industry associations to express their concerns, and provided the government security and intelligence community with an opportunity to communicate their challenges, priorities and long-term plans:
  - ISAB comprises representatives from ISS and nine key industry associations including the Aerospace Industries Association of Canada, Canadian Association of Defence and Security Industries, and the Canadian Construction Association.
  - GISAB is the government's primary industrial security forum and is made up of representatives from ISS and 19 government departments including the Royal Canadian Mounted Police, Canadian Security Intelligence Service, Industry Canada and the Department of National Defence.

Shared Services Integration

Shared Services Integration (SSI) is a full cost-recovery program dedicated to reducing government's investment in corporate

administrative systems and processes, thereby reducing overall costs.

SSI provides services to clusters of departments and agencies using four corporate administrative shared systems:

- Human Resources Information System to 29 departments and agencies;
- Automated Materiel Management Information System to 14 departments and agencies;
- Integrated Financial and Materiel System (IFMS) – SAP to 16 departments and agencies; and
- Government of Canada Human Resources Management System PeopleSoft to 21 departments and agencies.

In 2006-2007, PWGSC used a common approach to move Oracle/PeopleSoft and IFMS members to new government standards. Standardization will allow for common data capture; horizontal integration of administrative support activities, including finance, human resources and materiel management; significantly more informed and better decision-making; and cost reductions.

SSI also provides full cost-recovery transaction-based Shared Human Resources Services (SHRS) for 20 small departments and agencies. In 2006-2007, plans were made to move SHRS to a cluster model of operations to maximize economies of scale. As a first step, MOUs were standardized for SHRS clients and a revised costing model was created.

Performance by Program Activity

In the following tables, we identify the commitments made in our *Report on Plans and Priorities 2006–2007*, as well as our performance against those commitments through two program activities: *Business Integration Services* and *Business Integration Performance Management.*

Business Integration Services (Strategic Outcome: Quality Services)

(in millions of dollars)

Net Expenditures 2006-2007	Planned Spending	Total Authorities	Actual
Operating and Statutory Votes			
Gross Expenditures	22.2	*39.8*	38.3
Less: Respendable Revenues	12.2	*22.9*	22.9
Net Expenditures	10.0	*16.9*	15.5
Business Integration Services Full-Time Equivalents (FTEs)	133	*159*	167

Note : Please note that this financial table has not been audited.

Consulting, Information and Shared Services Branch (CISSB) includes activities for Government Information Services and Stewardship, as well as Business Integration Services and Consulting Services. CISSB ended the year at almost break-even (0.8% variance overall) because, in accordance with the *Policy on Special Revenue Spending Authorities*, the branch covered the Consulting shortfall under the CACRF.

Program Activity	Planned Results	Actual Results
Identification and development of strategic business and process opportunities to integrate services provided by PWGSC, and to take advantage of economies of scale with colleague departments, the Government of Canada and all other interjurisdictional agencies and organizations, including regions.	PWGSC is an organization that fosters a harmonized environment, including: • improved access to PWGSC services; • improved communication with colleagues and other government departments; • increased horizontal initiatives; and • added value for resources expended.	**Results for Industrial Security Sector** • 94% of Canadian and international visit requests processed in 15 working days. • 94% of contract-related document control requests processed within 15 days. • 85% of security requirement checklists processed within 21 days. **Results for Shared Services Integration Sector** • 77 departments and agencies participated in system cluster groups. • 20 small departments and agencies used Shared Human Resources Services.

Business Integration Performance Management (Strategic Outcome: Sound Stewardship)

(in millions of dollars)

Net Expenditures 2006-2007 (Note 1)	Planned Spending	*Total Authorities*	Actual
Operating and Statutory Votes			
Gross Expenditures	43.9	*40.7*	40.7
Less: Respendable Revenues	38.5	*34.6*	34.6
Net Expenditures	5.4	*6.1*	6.1
Business Integration Performance Management Full-Time Equivalents (FTEs)	459	*449*	449

Note : Please note that this financial table has not been audited.

Note 1: Business Integration Performance Management program activity figures reflect internal recoveries that cannot be charged to other program activities

Program Activity	Planned Results	Actual Results
Establishment of client service expectations and monitoring of overall service performance of PWGSC. This will include ensuring that customer satisfaction is effectively measured, and contribute to the thought process for branch initiatives on strategic process improvements.	PWGSC is an organization that: • has a sound results-oriented framework using PWGSC's Management Accountability Framework; • acts in the best interests of the department, its program branches, colleague departments and Canadians; • has an integrated quality assurance framework and processes; and • ensures that all services are timely and cost-effective for Canadians.	When the Service Integration Branch was dismantled in February 2006, this program activity was changed to focus on changes to Revolving Funds for Internal Services for transparency purposes. Due to the complex financial reporting structure of PWGSC, a portion of the internal services related to our revolving funds cannot be allocated department-wide and must therefore be captured under this program activity.

Business Integration — Client Relations Management

The financial expenditures for Business Integration Client Relations Management are not shown because, for the Treasury Board Secretariat's financial reporting purposes, these costs have been re-allocated to the other program activities as departmental overheads.

Program Activity	Planned Results	Actual Results
Strategic management of client relationships at an enterprise level with the goal of generating high levels of sustainable client satisfaction through the most efficient and effective means possible, including regular performance measurements. Customer Relationship Management (CRM) will focus on a strategy that is enabled by technology in improving efficiency for taxpayers and the Government of Canada.	PWGSC is an organization that: • is client focused; • has an integrated CRM framework; and • exhibits and reinforces a culture that fosters ethical values and behaviour.	• The former SIB had only developed some elements of a CRM framework; these included 20 client strategies, the development of a menu of PWGSC products and services, and an issues tracking process. • Client Focus has been decentralized to the branches through their client consultancy units, as part of PWGSC's transformation activities.

SPECIAL OPERATING AGENCIES

PWGSC has two special operating agencies (SOAs): The Translation Bureau and Consulting and Audit Canada (CAC) which is made up of two distinct entities: Audit Services Canada (ASC) and Government Consulting Services (GCS), the latter being integrated within Consulting, Information and Shared Services (CISS). Since the two entities continue to share the CAC revolving fund, and to comply with reporting requirements, Government Consulting Services forms part of the current subsection.

Consulting and Audit Canada

17 years ago, the Bureau of Management Consulting was merged with the Audit Services Bureau to create Consulting and Audit Canada (CAC), a Special Operating Agency (SOA) financed by a revolving fund with a mission to contribute to public sector management and operations and the achievement of the Government of Canada's (GC) priorities. It does so by providing consulting, audit and assurance services to public sector managers in Canada and abroad.

Based on reviews of CAC in 2005 and the industry trend to segregate consulting and audit functions in firms involved in both these business lines, it was decided to restructure CAC. Audit Services Canada (ASC) was created and Government Consulting Services (GCS) was integrated with Consulting, Information and Shared Services. ASC and GCS both operate under a fee-for-services structure.

CAC supports PWGSC's Quality Services strategic outcome through one program activity:

- Consulting and Audit Canada Revolving Fund.

The expenditures and actual results for 2006-2007 for the above program activity are summarized at the end of this CAC section.

Performance by 2006-2007 Priorities

The strategic change and improvement initiatives, impacting the results of the *Consulting and Audit Canada Revolving Fund Program Activity*, are presented for ASC and GCS.

Audit Services Canada

ASC's mission is to contribute to improving public sector management, accountability and operations by providing assurance, audit and accounting services. ASC has a large group of professionally qualified auditors with excellent knowledge of government. The services have been provided for over 60 years.

In 2006-2007 ASC conducted more than 300 assignments in the areas of:

- contract cost audits;
- contribution (transfer payment) audits;
- regulatory compliance audits;
- project and program audits;
- internal audits;
- operational audits;

Key Facts*

Audit Services Canada

- Received 92% client satisfaction for audit services provided to clients.
- Employed roughly 150 professionals, with two-thirds located in regional offices outside the National Capital Region.
- Engaged in approximately 300 projects across Canada.
- Played strategic role in the implementation of the Treasury Board *Policy on Internal Audit*.

**Source: PWGSC databases, Client Satisfaction Survey.*

- performance and value-for-money audits;
- compliance audits;
- lease audits; and
- risk-based audit frameworks.

ASC achieved this year's business goals of:

- providing high-quality audit services to clients (92% of clients surveyed said they were satisfied) supported by quality assurance undertaken by the newly established Professional Practices Group;
- developing new business opportunities and relationships, including three Memoranda of Understanding to support the Office of the Comptroller General (OCG) in its small department and agency audits, large horizontal audits, and liaison with other large departments and agencies;
- modernizing its workplace by making optimal use of technologies and promoting knowledge-sharing among staff members; and
- enhancing the skills and competencies of its workforce through professional audit training.

For ASC to be officially recognized, it needed a new charter, which has been developed and is awaiting approval. We also developed and maintained a strategic partnership with the OCG in order to support and enhance the internal audit capacity within the federal government.

During 2006-2007, ASC created the Professional Practices Group to provide a robust quality assurance process, including peer reviews and practice inspections. All ASC offices were subject to inspection of their internal practices to determine what improvements are required to meet Canadian Institute of Chartered Accountants standards. The Group developed an action plan that is being implemented.

ASC also developed human resources and succession plans, which were approved and are being implemented. Internal and external competitions have been launched to fill vacant positions, but an acute shortage of audit professionals has made it impossible to do so quickly. Where there were critical staff shortages, ASC closely supervised the use of private sector resources on a limited basis.

In compliance with the new *Public Service Employment Act*, ASC evaluated and renewed the Audit Professional Development Program to ensure its auditors' skills and knowledge are kept up to date. In 2006-2007, the program reached its target of five training days per Full-Time Equivalent.

In 2006-2007, ASC maintained its regional delivery network to minimize travel costs and to ensure that regional clients have every access to ASC's services. On a limited basis, ASC used private sector resources, working under supervision, where there were critical staff shortages and time constraints.

Government Consulting Services

Serving as the government in-house management consulting group, GCS provides specialized advice and solutions to improve public sector management in Canada and abroad. GCS recently realigned its activities to focus on the core consulting services most relevant to managers in government departments and agencies.

GCS provides a wide range of expertise and knowledge to support public sector managers in responding to government-wide and program-specific priorities and challenges. Federal departments seek GCS services to obtain advice

*Key Facts**

Government Consulting Services

- 91% client satisfaction rating.
- 83% of clients indicated that using GCS resulted in improved management and operations for their organizations.
- Over 200 projects undertaken for 55 federal organizations.

*Source: PWGSC databases, Client Satisfaction Survey System database, Assignment Management System.

and identify solutions that allow them to meet their program objectives and accountabilities. Services offered by GCS support government operations in areas such as:

- financial and risk management;
- quantitative analysis;
- strategic planning;
- integrated human resources and business planning;
- Public Service Renewal initiatives;
- information security advice and business continuity planning;
- information management;
- litigation support;
- web-based service delivery (e-services);
- business case development;
- regulatory impact analysis statements;
- program evaluation;
- performance measurement frameworks;
- results-based management and accountability frameworks;
- sustainable development strategies and environmental management planning; and
- international services, which focus on acting as an executing agency on behalf of the Canadian International Development Agency.

Overall in 2006-2007, GCS met its planned business objectives. It carried out more than 200 projects, with a total value of $54 million. About half of these projects addressed government priorities in the areas of:

- health and food safety (35 projects);
- crime and security (35 projects); and
- environment (32 projects).

The remainder of the projects supported departmental priorities and management issues.

GCS maintained a consistently high level of client satisfaction, achieving an overall rating of 91%, surpassing its target of 85%. However, the continuing impact of the reorganization of GCS created instability with personnel. In addition, the decision to accelerate the divestiture of project/contract management services affected GCS 2006-2007 financial results.

In response to a 2005 KPMG report that identified deficiencies related to the procurement and the project and contract management processes in CAC's consulting arm, GCS has been undertaking several activities to enhance internal controls and realign key contracting activities. Activities in 2006-2007 included:

- completing the integration of the organization and its operations with the Consulting, Information and Shared Services Branch;
- restructuring GCS services to focus on core management consulting business lines that are best carried out by public servants, and realigning consulting teams and their work to better respond to new government priorities;
- accelerating the transfer of activities related to contracting of private sector expertise, primarily small and medium enterprises, to PWGSC's Acquisitions Branch. This was an integral part of the initiative to accelerate the divestiture of project and contract management services that were previously performed by GCS on behalf of other federal departments and agencies;
- administering an internal survey, resulting in recommendations that the GCS Code of Ethics and Conduct be updated and that employees receive additional information on recourse mechanisms; and
- continuing to increase GCS's bilingual capacity as more consultants attended full-time language training, and placed increased emphasis on hiring bilingual consultants who meet the operational requirements of GCS and client departments.

Performance by Program Activity

In the following tables, we identify the commitments made in our *Report on Plans and Priorities 2006-2007*, as well as our performance against those commitments through one program activity: *Consulting and Audit Canada Revolving Fund.*

Consulting and Audit Canada Revolving Fund (Strategic Outcome: Quality Services)

(in millions of dollars)

Net Expenditures 2006-2007	Planned Spending	Total Authorities	Actual
Statutory Vote			
Gross Expenditures	98.7	*98.7*	71.4
Less: Respendable Revenues	99.2	*99.2*	71.9
Net Resources (Provided) Used (Note1)	(0.5)	*(0.5)*	(0.5)
Consulting and Audit Canada Full-Time Equivalents (FTEs)	390	390	285

Note : Please note that this financial table has not been audited.

The reduction in business volume is mainly attributable to a decrease of staff fee revenue due to difficulties encountered with the staffing process, resulting in 105 fewer FTEs than planned. In accordance with the *Policy on Special Revenue Spending Authorities*, the Consulting and Audit Canada Revolving Fund received $5.4 million from the Operating Vote to cover the shortfall. The Consulting Services portion of $2.1 million was absorbed by Government Information and Business Integration Services while the Audit Services deficit of $3.3 million was funded through internal reallocations.

Note 1: The amounts reported for the Consulting and Audit Canada Revolving Fund are on a modified cash basis.

Program Activity	Planned Results	Audit Services Canada Actual Results
Provision, on an optional and fee-for-service basis, of consulting and audit services to federal departments and agencies and, on request, to provincial, territorial, municipal and Aboriginal governments in Canada and to foreign governments and international organizations.	Improved public sector management and operations. High-quality and professional services.	• Overall client satisfaction rate: 92% • Increase in number of clients: 10% • Training days per full-time equivalent (FTE): 5 • Invested $2.5 million in staff training and the establishment of the Professional Practices Group.
		Government Consulting Services Actual Results
	Cost-effective delivery of services. Knowledgeable and sustainable workforce.	• Client feedback on improvement of management and operations: 83% • Overall level of satisfaction: 91% • Utilization rate of staff: 73.5% • Training days per FTE: 4.9 days

Translation Bureau

The Translation Bureau is a key component of the government's service delivery infrastructure. It helps the government serve Canadians and communicate with them in the official language of their choice, as well as in Aboriginal and foreign languages, by standardizing terminology within the public service and providing translation, revision, interpretation, terminology and technolinguistic services for Parliament, the judiciary, and federal departments and agencies.

The Bureau ensures that a critical mass of skilled language professionals—employees and suppliers—is available. Thus it enables the government to operate smoothly, meet its official languages obligations, and promote the values of linguistic duality and multiculturalism that make up the Canadian identity. The Bureau provides services in more than 100 languages to support the government in its international relations and in its communications with those Canadians who have difficulty communicating in either official language.

The Translation Bureau supports PWGSC's two strategic outcomes through three program activities:

Quality Services
- Translation and Interpretation to Parliament, Conference Interpretation, Terminology;
- Translation Bureau Revolving Fund; and

Sound Stewardship
- Translation Stewardship.

The expenditures and actual results for 2006-2007 for the above program activities are summarized at the end of this Translation Bureau section.

Performance by 2006-2007 Priorities

The strategic change and improvement initiatives impacting the results of our program activities are presented by the PWGSC 2006-2007 strategic priorities, as follows:

Key Facts*

- Translated 1.5 million pages at 60 service centres.
- Managed TERMIUM®, the Government of Canada's terminology and linguistic data bank.
- Federal government's centre of expertise for translation, revision, interpretation and technolinguistics.
- Public service authority on language and terminology standards.
- Provided translation services 24 hours a day, seven days a week.
- Made it possible for some 3,700 small and medium linguistic services firms to obtain government contracts.

*Sources: Departmental databases, Translation Integrated Ordering System.

- Transforming our Business; and
- Supporting the Government's Strategic Agenda.

Transforming our Business

During the fiscal year, the Bureau continued its adoption of a strategic, value-added approach rather than a transactions-based approach for its operations. It accelerated the implementation of its new business model by assigning 47 on-site translators and designating 243 dedicated translators to serve clients better. It began implementing a translation memory in its points of service. This initiative will ultimately increase the efficiency of the translation process and help to more effectively manage the knowledge contained in the body of translations provided for the government. The Bureau also introduced electronic billing, making its operations more environmentally friendly. All of this contributed to the *Translation Stewardship Program Activity* and *Translation Bureau Revolving Fund Program Activity*.

The Bureau reviewed its roles and responsibilities and drew up an action plan for carrying out its mandate more fully, while providing additional benefits for the government through its operational expertise. The Bureau continued to improve the quality and uniformity of government communications

by assigning additional resources to revision and quality control. It began developing standards and common practices for the purchase of linguistic services. The Bureau also initiated discussions with Acquisitions to set up a commodity council for translation services and develop a linguistic services strategy for the government.

The Bureau maintained a satisfaction rate of 94% for its interpretation services and 84% for its translation services. It increased its market share to 64% while remaining focused on its objective of generating savings for its clients. As of April 1, 2006, the rate charged for administrative translation was reduced by 17%.

Supporting the Government's Strategic Agenda

As a bilingual nation whose prosperity is closely tied to international trade, Canada needs a reliable source of efficient, high-quality linguistic services. However, Canada faces a shortage of qualified language professionals. The labour shortage affects not only the government, but also the provinces and territories. It is particularly serious in the areas of interpretation and foreign languages because of a lack of university programs and already scarce qualified resources.

The Bureau, together with the Language Industry Association, produced a brochure to provide young people with information on language professions. It actively promoted these professions to young people in colleges and secondary schools in provinces with universities offering language study programs. It also increased and diversified its participation in a variety of recruiting forums and intensified its cooperation with colleges and universities. As part of its succession planning, the Bureau maintained its partnership with the University of Ottawa, notably with respect to the master's degree in interpretation.

To further strengthen the industry and ensure a secure supply of linguistic services for the government, and Canada as a whole, some measures were implemented in partnership with other industry players. As a result, 57% of the total value of linguistic services contracts awarded by the Bureau were made up of contracts worth $200,000 or more. This helps to ensure the viability and competitiveness of small and medium-size translation and interpretation services firms. The Language Technologies Research Centre, resulting from a partnership between the Translation Bureau, the National Research Council of Canada and the Université du Québec en Outaouais, opened in June 2006.

The Bureau continued to provide Canada's Parliament with quality translation and interpretation services while handling a substantially greater workload resulting from an upsurge in parliamentary activities and increasingly tighter deadlines. This was carried out in support of the *Translation and Interpretation to Parliament, Conference Interpretation, Terminology Program Activity.*

It continued to set up the necessary infrastructure for meeting the new delivery timeframes for House of Commons and Senate committee deliberations. It participated in a House of Commons review of the production of committee reports and developed a solution for French-language captioning of House debates, which will go into service when Parliament reconvenes in the fall of 2007. The Bureau also provided interpretation services during large-scale conferences and visits by foreign heads of state.

In fulfilling its terminology standardization mandate and making tools available to public servants to enable them to work in English and French, the Bureau contributed to the effectiveness of government communications and the maintenance of an exemplary public service from the official languages standpoint. During 2006-2007, it developed a program to promote the use of plain language, providing an increasing number of public servants with resources such as *Language Nook*, and launching a new series of linguistic recommendation notices. The Bureau published various lexicons, for example, the *Diamond Cutting*

Vocabulary, which was compiled at the request of the Northwest Territories and adjoining provinces. It also strengthened its multilingual capacity; it hired two specialized terminologists for Spanish and Portuguese to provide support for projects related to Free Trade Area of the Americas activities, and it launched the Portuguese version of its terminology educational software, which already enjoys an international reputation.

The Bureau completed the design of a Linguistic Portal project that will enable all Canadians to benefit from its terminology and linguistic resources. It is developing the next generation of TERMIUM®, which will help client departments and organizations store and update their own terminology.

The Bureau continued to represent Canada at major national and international language forums and standardization networks and committees. At the national level, the Bureau coordinated the activities of the Joint Committee on Terminology in Canada, which published the *Directory of Terminologists in Canada*, and worked with the Université du Québec en Outaouais and the Office québécois de la langue française to organize the international symposium *Terminologie et approches transdisciplinaires*, held in Gatineau in the spring of 2007. Internationally, Bureau representatives attended meetings of the International Organization for Standardization (ISO) in Beijing and helped develop new international standards. It obtained the authorization of the European Association for Terminology to hold the 4th World Terminology Summit in Gatineau in October 2008, and it signed five new international cooperation agreements. The Bureau also continued to store in TERMIUM® the information technology terminology of the ISO's International Electrotechnical Commission.

Performance by Program Activity

In the following tables, we identify the commitments made in our *Report on Plans and Priorities 2006-2007*, as well as our performance against those commitments through three program activities: *Translation and Interpretation to Parliament, Conference Interpretation, Terminology*; *Translation Bureau Revolving Fund*; and *Translation Stewardship*.

Translation and Interpretation to Parliament, Conference Interpretation, Terminology (Strategic Outcome: Quality Services)

(in millions of dollars)

Net Expenditures 2006-2007	Planned Spending	Total Authorities	Actual
Operating and Statutory Votes			
Gross Expenditures	51.9	*57.1*	58.2
Less: Respendable Revenues	-	-	-
Net Expenditures	51.9	*57.1*	58.2
Translation and Interpretation to Parliament, Conference Interpretation, Terminology Full-Time Equivalents (FTEs)	-	-	-

Note : Please note that this financial table has not been audited.

The variance between the authority of $57.1 million and the actuals of $58.2 million is due to the $1.1 million technical adjustment of the transfer of the collective bargaining amount funding received from TB in salaries expenditures into operating that has not been reflected in the authority.

Program Activity	Planned Results	Actual Results
Provision of translation and interpretation services to Parliament, of conference interpretation and of terminology services.	• Parliament, the judiciary and other government organizations receive best value service to ensure the government's ability to function in both official languages, and other languages as required.	• **Percentage of sessions of both Houses of Parliament covered:** 100% • **Percentage of clients satisfied with service:** Based on a formal, independent survey, the satisfaction rates were 84% for translation services and 94% for interpretation services.[1] • **Number of hits on Translation Bureau's Terminology site (TERMIUM®):** More than 640 million queries, including 66,440,109 searches.

[1] The data are taken from a survey on federal public sector client satisfaction with suppliers of translation and interpretation services (*Sondage sur la satisfaction des clients du secteur public fédéral envers les fournisseurs de services de traduction et d'interprétation)* conducted by TNS/Groupe ANTIMA on behalf of the Translation Bureau. The firm selected a stratified, disproportional random sample of federal government employees who have used the Bureau's services since April 1, 2006. For translation services, the data were gathered from 832 respondents between September 5 and September 27, 2006. The response rate was 45% and the margin of error (higher in the case of sub-samples) was +/-3.4%, 19 times out of 20. For conference interpretation services, the data were gathered from 100 respondents between September 5 and 15, 2006. The response rate was 31% and the margin of error (higher in the case of sub-samples) was 9%, 19 times out of 20. In both cases, *a posteriori* weighting was used to correct the results so that they were representative of the entire targeted population.

Translation Bureau Revolving Fund (Strategic Outcome: Quality Services)

(in millions of dollars)

Net Expenditures 2006-2007 (Note 1)	Planned Spending	Total Authorities	Actual
Operating and Statutory Votes			
Gross Expenditures	205.9	*211.9*	211.7
Less: Respendable Revenues	205.9	*205.9*	207.1
Net Resources (Provided) Used (Note 2)	-	*6.0*	4.6
Translation Bureau Revolving Fund Full-Time Equivalents (FTEs)	1,684	*1,584*	1,580

Note : Please note that this financial table has not been audited.

The increase of $1.2 million in respendable revenue is mainly due to a decrease in translation revenues (a 17% price decrease for general texts) and an increase mainly due to $6.0 million of funds received from Treasury Board to offset increased payroll with the new collective bargaining agreement. The gross expenditures increase is mainly due to outsourced translation contracts higher than planned and strategic investments as approved by Treasury Board.

Note 1: The Bureau's revolving fund provides services to Parliament and collects the related revenues from its own operating vote. Accordingly, the revolving fund's gross expenditures and respendable revenue include the net expenditures reported in Translation and Interpretation to Parliament, Conference Interpretation, Terminology and Translation Stewardship Program Activities.

Note 2: The amounts reported for the Translation Bureau Revolving Fund are on a modified cash basis.

Program Activity	Planned Results	Actual Results
Provision of translation, technolinguistic and other linguistic services to the judiciary and federal departments and agencies on a cost recovery basis. Upon request, provision of translation, technolinguistic and other linguistic services to other governments in Canada and international organizations on a cost-recovery basis.	The Translation Bureau is a financially viable organization offering best value service to the judiciary and other government organizations to ensure the government's ability to function in both official languages, and other languages as required.	• **Percentage of revenue objectives met:** 94% • **Percentage of clients satisfied with service:** Based on a formal, independent survey, the satisfaction rates were 84% for translation services and 94% for interpretation services.[1]

[1] The data are taken from a survey on federal public sector client satisfaction with suppliers of translation and interpretation services (*Sondage sur la satisfaction des clients du secteur public fédéral envers les fournisseurs de services de traduction et d'interprétation)* conducted by TNS/Groupe ANTIMA on behalf of the Translation Bureau. The firm selected a stratified, disproportional random sample of federal government employees who have used the Bureau's services since April 1, 2006. For translation services, the data were gathered from 832 respondents between September 5 and September 27, 2006. The response rate was 45% and the margin of error (higher in the case of sub-samples) was +/-3.4%, 19 times out of 20. For conference interpretation services, the data were gathered from 100 respondents between September 5 and 15, 2006. The response rate was 31% and the margin of error (higher in the case of sub-samples) was 9%, 19 times out of 20. In both cases, *a posteriori* weighting was used to correct the results so that they were representative of the entire targeted population.

Translation Stewardship (Strategic Outcome: Sound Stewardship)

(in millions of dollars)

Net Expenditures 2006-2007	Planned Spending	*Total Authorities*	Actual
Operating and Statutory Votes			
Gross Expenditures	2.5	*2.4*	**2.4**
Less: Respendable Revenues	-	-	-
Net Expenditures	2.5	*2.4*	**2.4**
Translation Stewardship Full-Time Equivalents (FTEs)	-	-	-

Note : Please note that this financial table has not been audited.

Program Activity	Planned Results	Actual Results
Program management, strategy, governance, monitoring and support activities, also encompassing activities that are necessary to: • ensure the security of supply of linguistic services to Parliament, the judiciary and the federal government; • foster the development and growth of the Canadian language industry; • ensure the development and dissemination of translation, terminology and technolinguistic standards in Canada; and • exercise the role of functional specialist in the translation, terminology, interpretation, linguistic and technolinguistic domains for other departments and agencies.	The Translation Bureau has the capacity to effectively manage and deliver its translation and terminology functions and ensure Canada's representation and leadership at national and international levels.	• **Number of outreach activities that enhance leadership role in the industry, professional associations and universities:** Participation in about 50 awareness activities related to terminology standardization and promotion of the Bureau's expertise in interpretation. • **Number of students registered in training and development programs (partnership with universities, CO-OP, Federal Student Work Experience Program):** 123 participants in Bureau practicum programs (university partnership and co-op programs); 53 participants in the Federal Student Work Experience Program. • **Number of national and federal terminology standardization committees and international forums at which the Bureau participates:** 19.

GREENING GOVERNMENT OPERATIONS

To help the government become a model of environmental excellence in its operations, the Office of Greening Government Operations (OGGO) was created within PWGSC in 2005. OGGO works closely with other federal departments and agencies, particularly with the Treasury Board Secretariat and Environment Canada, to provide government-wide leadership, guidance and services related to the greening of government operations and sustainable development.

The Office of Greening Government Operations supports PWGSC's two strategic outcomes through two program activities:

Quality Services
- Office of Greening Government Operations Services; and

Sound Stewardship
- Office of Greening Government Operations Stewardship.

The expenditures and actual results for 2006-2007 for the above program activities are summarized at the end of this OGGO section.

*Key Facts**

- Office of Greening Government Operations worked with Treasury Board Secretariat (TBS) and Environment Canada to help refine the Performance Management Framework (PMF) for OGGO.
- Helped with the government-wide implementation of the *Policy on Green Procurement* by developing training and tools with colleagues. Green procurement training is now provided at the Canada School of Public Service and online *Campus Direct*.
- OGGO played a lead role in coordinating the activities of six interdepartmental steering groups and a Federal-Provincial-Territorial Sub-committee on Sustainable Development.
- Provided a range of environmental services to government departments and agencies, including PWGSC.
- Drafted PWGSC's Sustainable Development Strategy, monitors performance against it and drafts the department's annual *Sustainable Development Performance Report*.

** Sources: PWGSC databases.*

Performance by 2006-2007 Priorities

The strategic change and improvement initiatives impacting the results of our program activities are presented by the PWGSC strategic priorities, as follows:

- Transforming our Business;
- Delivering Major Projects of National Importance; and
- Supporting the Government's Strategic Agenda.

Transforming our Business

OGGO is taking a strategic approach to help green government operations, in order to ensure that "thinking green" becomes an automatic and integral part of government-wide business transformation, and that the intended results are lasting and far-reaching. During 2006-2007, OGGO met its commitments to greening government operations and its *Office of Greening Government Operations Services Program Activity* by:

- providing government-wide leadership and being the centre of expertise for the greening of government operations initiative;
- providing a range of high-quality, affordable environmental services to PWGSC and other departments and agencies;
- leading and working with other departments and agencies in the Contaminated Sites Management Working Group;
- consulting and coordinating the development of PWGSC's fourth Sustainable Development Strategy, monitoring and reporting on sustainable development performance; and
- responding in a timely manner to environmental petitions and audits.

Delivering Projects of National Importance

Management and Remediation of Contaminated Sites

The Government of Canada Federal Contaminated Sites Action Plan (FCSAP) contains commitments of $3.5 billion over the next 15 years for the remediation of federal contaminated sites and $500 million to be directed toward shared responsibility sites. This money is currently directed at 188 FCSAP projects involving more than 600 sites. PWGSC is the custodian for 209 known contaminated sites. PWGSC, and OGGO in particular, provides optional environmental services to other government departments, and offers the FCSAP Secretariat expert support.

To help custodian departments with remediation projects, PWGSC has developed project management tools and best practices. We are collecting and disseminating information on innovative technologies employed through the FCSAP program and working with the environmental industry to ensure that it is aware of, and can build adequate capacity to respond to, future demand arising from the FCSAP program.

The Sydney Tar Ponds project is one of the most high-profile Government of Canada remediation projects. PWGSC is leading federal participation in this project as manager of the federal-provincial cost-sharing agreement and as responsible authority at the federal level, liaising with First Nations, the contractor and provincial authorities.

In July 2006, the ministers of environment of the governments of Canada and Nova Scotia received an independent review panel report of the Sydney environmental assessment. In January 2007, the governments jointly released their formal response. Their support for proceeding with the full remediation concluded a successful collaboration and preliminary construction has now commenced.

For more information on the remediation of the Sydney Tar Ponds, see *Section III — Table 20* or visit our website at: http://www.tpsgc-pwgsc.gc.ca/reports/text/dpr_2006-2007/ih-hi-e.html.

Supporting the Government's Strategic Agenda

Resource Consumption and Air Pollution Emissions

PWGSC's approach to reducing energy consumption and related air pollutants, including greenhouse gas emissions, has been to focus on two major opportunities: sustainable buildings and vehicle fleets. Both of these are an integral part of the *Office of Greening Government Operations Stewardship Program Activity.*

Sustainable Buildings: The adoption of industry-developed assessment tools by PWGSC and the government as a whole is helping to ensure that all federal office accommodations, whether Crown-owned or leased, adhere to high standards of environmental performance, particularly with regard to energy consumption and the emissions of greenhouse gases and other air pollutants.

PWGSC continued to lay the foundation for greening the real property portfolio in 2006-2007. We developed guidance for all Crown-owned office buildings for implementing *BOMA Go Green Plus* assessments (BOMA is the Building Owners and Managers Association). This assessment tool identifies the most cost-effective options to improve the management, operation and environmental performance of existing buildings.

For new construction projects across government, OGGO provided advice and guidance to departments on the application of the Leadership in Energy and Environmental Design (LEED® – Canada) – Gold standard.

The department also made a commitment during 2006-2007 with respect to the government's extensive portfolio of leased office buildings. By revising lease documents, PWGSC will require private sector landlords with buildings of more than 10,000 square metres to complete the *BOMA Go Green Plus* (or equivalent) assessment of these buildings and share the results with PWGSC before arrangements are finalized. This will provide PWGSC with the tools to make more environmentally sensitive leasing decisions.

The standards adopted by government and PWGSC are helping to shape the *Sustainable Building Policy* that OGGO is currently developing for implementation by 2010. The *Sustainable Building Policy* will further integrate environmental considerations into PWGSC's standard building planning processes and contracts.

The objective of PWGSC's approach is to not only improve the environmental performance of its own inventory, but in doing so, to also lay the groundwork for other custodial departments and jurisdictions to do the same, and to help influence the market in which we do business. Already, PWGSC's lead in sustainable buildings has helped Manitoba and Quebec adopt *BOMA Go Green* for their buildings.

Vehicle Fleets: PWGSC works with departments and agencies to develop guidance for vehicle fleets, encourage the ongoing review of vehicle fleets and help to integrate environmental considerations into the federal vehicle procurement process.

The guidance for vehicle fleets was taken up by 22 of 28 departments that tabled their Sustainable Development Strategies in December 2006. The proposed initiatives include increasing the use of ethanol-blended gasoline; purchasing more hybrid and alternative fuel vehicles; conducting regular fleet reviews; encouraging defensive driver training; and using fleet management systems to analyze driving behaviour.

For its own fleet, PWGSC has been promoting the use of renewable fuels. Further, over the past 10 years, PWGSC has reduced its fleet from 438 to 254 vehicles, of which 41 are hybrid and 89 use alternative transportation fuels (primarily E85 alcohol fuel).

Green Procurement

During 2006-2007, OGGO helped with the government-wide implementation of the *Policy on Green Procurement* by developing green procurement training and tools in cooperation with colleagues at Environment Canada and Natural Resources Canada. Green procurement training is now being provided through the Canada School of Public Service and the school's online *Campus Direct*.

OGGO held interdepartmental workshops on implementing the *Policy on Green Procurement* across Canada. It developed a guidance document and several other tools during 2006-2007 to help departments and agencies set their own green procurement targets, and integrate environmental considerations into day-to-day procurement decision-making.

During 2006-2007, OGGO took the first steps to develop a strategic government-wide approach to managing the electronic waste from federal operations by coordinating stakeholder input into the issue. The approach will continue to be developed in fiscal year 2007-2008.

Leadership and Centre of Expertise for Greening Government Operations

More than 75% of the Sustainable Development Strategies tabled by departments and agencies in December 2006 incorporated recommendations of the overarching goals set out in the *Greening Government Operations Guidance for Organizations Developing Sustainable Development Strategies (2007-2009)*. This demonstrates OGGO's success in focusing the efforts of departments on government-wide

environmental priorities: sustainable buildings, vehicle fleets and green procurement.

During 2006-2007, OGGO helped integrate the guidance document into Environment Canada's overall guidance for federal Sustainable Development Strategies. OGGO also worked with interdepartmental steering groups to provide direction and support for common approaches and tools, including the refinement of a performance measurement framework that would facilitate government-wide reporting on greening government operations. Although interdepartmentally agreed, the performance indicators were not widely adopted, due, among other things, to a lack of consistent data.

PWGSC's Sustainable Development Strategy

OGGO led the department in drafting the PWGSC Sustainable Development Strategy during 2006-2007. A key consideration was the way PWGSC's own targets and commitments could assist and influence the greening of operations in other departments and agencies.

Partnerships

In 2006-2007, OGGO continued to strengthen partnerships interdepartmentally and interjurisdictionally to promote collaboration on and sharing of best practices and environmental management tools. OGGO played a lead role in coordinating the activities and work of six interdepartmental steering groups for greening government operations, and the Federal-Provincial-Territorial Sub-committee on Sustainable Development.

Aligning Resources

During 2006-2007, OGGO commissioned an operational review of its environmental services with the aim of consolidating and strengthening financial and human resources to improve service delivery. The review recommended a strengthened organizational model, and concluded that supporting the department's due diligence requirements and addressing service delivery issues were key opportunities for improvement. This is key in our contribution to the *Office of Greening Government Operations Stewardship Program Activity.*

Environmental Regulatory Compliance and Support for Sustainable Development Strategies

OGGO provided assistance to PWGSC and other government departments throughout the year on a nation-wide basis.

In the National Capital Area, OGGO provided services to 28 departments and agencies. This included support in areas such as indoor air quality, environmental assessment, waste water, hazardous waste and recycling among others.

OGGO supported Real Property in PWGSC, in: developing commitments for the Sustainable Development Strategy; providing national and regional leadership on numerous environmental aspects of building management; and updating and delivering a renewed training program on environmental liabilities and responsibilities for operational and management staff.

Green Stewardship

In support of the *Office of Greening Government Operations Stewardship Program Activity,* the overall goal of the Green Stewardship Program is to provide employees with a meaningful opportunity to reduce the environmental impacts of their day-to-day activities. In 2006-2007, OGGO supported green stewardship by serving as co-chair of the interdepartmental Green Stewardship Steering Group, and working with client departments to implement a range of Environment Week activities and special programs such as vermi-composting in the Parliamentary Precinct. OGGO also began to lay the foundation for a strengthened and reinvigorated government-

wide Green Stewardship Program that will be instrumental in developing and implementing national goals and targets to support the Greening of Government Operations priorities: sustainable buildings, vehicle fleets and green procurement.

Performance by Program Activity

In the following tables, we identify the commitments made in our *Report on Plans and Priorities 2006-2007*, as well as our performance against those commitments through two program activities: *Office of Greening Government Operations Services* and *Office of Greening Government Operations Stewardship.*

Office of Greening Government Operations Services (Strategic Outcome: Quality Services)

The Office of Greening Government Operations Services has no financial expenditures to report. Although this program activity was not funded, OGGO remained committed to achieving actual results.

Program Activity	Planned Results	Actual Results
Provision of environmental services at the established service standards, to federal departments and agencies.	Government departments and agencies receive high-quality, affordable and timely environmental services.	• **Client satisfaction:** The Office of Greening Government Operations (OGGO) worked with Real Property to integrate its client satisfaction survey into the department-wide client satisfaction survey and monitoring process. This tool will help assess the quality, timeliness and affordability of all services provided by the organization. • **Operational review:** The operational review of OGGO's environmental services was completed. It recommended a strengthened organizational model, and identified key opportunities and areas for improvement.

Office of Greening Government Operations Stewardship (Strategic Outcome: Sound Stewardship)

(in millions of dollars)

Net Expenditures 2006-2007	Planned Spending	Total Authorities	Actual
Operating and Statutory Votes			
Gross Expenditures	*1.3*	*7.5*	*6.2*
Less: Respendable Revenues	-	*5.4*	*5.4*
Net Expenditures	1.3	*2.1*	0.7
Office of Greening Government Operations Stewardship Full-Time Equivalents (FTEs)	3	*3*	3

Note : Please note that this financial table has not been audited.

The variance between Office of Greening Government Operations's total authorities and the actuals are due mainly to the fact that there were delays in staffing senior positions in the Contaminated Sites unit that led to a lapse of approximately 25% of the total funding received for the Federal Contaminated Sites Action Plan (FCSAP) as well as unanticipated funding received from the Real Property Branch through the annual Memorandum of Understanding process.

Program Activity	Planned Results	Actual Results
Provision of government-wide leadership and expertise on the greening of government operations (GGO).	• Leadership and guidance in achieving on the greening of government operations is provided to other federal departments and agencies. • The whole-of-government ability and capacity to reduce the environmental impact of its operations is increased, and improvement of its overall performance for key priority areas is achieved. • The development and implementation of PWGSC's sustainable development strategy and the governance of environmental management frameworks demonstrate excellence.	• **Guidance:** OGGO provided government-wide guidance on GGO to help focus government's greening efforts on three environmental priorities: buildings, vehicles and procurement. The guidance was taken up by over 75% of departments, whose results will be demonstrated over the next few years in these key areas. • **Performance Management Framework:** OGGO worked with the Treasury Board Secretariat and Environment Canada (EC) to help refine the Performance Management Framework (PMF) for GGO. Actual results will be determined after the PMF is finalized by EC, formally issued and implemented.

CORPORATE MANAGEMENT

The Corporate Management function provides internal support to all of PWGSC's branches and special operating agencies through: Corporate Services, Policy and Communications; Human Resources; the Office of the Chief Risk Officer; Audit and Evaluation; Finance; the Investigations and Litigation Office; Legal Services; and offices in the Pacific, Western, Ontario, Quebec, and Atlantic regions.

The expenditures and actual results for 2006-2007 for our program activities are summarized at the end of this Corporate Management section.

Performance by 2006-2007 Priorities

The strategic change and improvement initiatives impacting the results of our activities are highlighted by the PWGSC 2006-2007 strategic priorities, which are as follows:

- Transforming our Business;
- Strengthening Accountability and Transparency; and
- Supporting the Government's Strategic Agenda.

Transforming our Business

In February 2007, the duties and responsibilities of the Strategic Transformation Branch, which was responsible for planning, coordinating and monitoring the Business Transformation Agenda, were integrated into the Finance, Human Resources and various program branches. This was a reorganization brought about as a result of the successful integration of much of *The Way Forward* plans and strategies into normal branch operations. During the past year, Strategic Transformation Branch:

- provided corporate support to the transformation agenda in the areas of Acquisitions, Real Property and Information Technology Services;
- liaised with central agencies to ensure alignment with the government-wide service transformation agenda;
- conducted financial, economic and business analyses on key transformation proposals and advised senior management via the Business Transformation Committee; and
- supported a coordinated national strategy to manage and communicate change within PWGSC, with emphasis on people and cultural issues.

Strengthening Accountability and Transparency

Investigations and Litigation Office

In April 2006, the Inquiry Liaison Office refocused its efforts towards investigations and litigation. This reflected the cessation of support to the Gomery Commission and related post-inquiry activities. PWGSC is providing strategic direction and supporting activities related to the recovery of Sponsorship funds and the criminal trials, ensuring full transparency regarding the management of these activities. In 2006-2007, the government recovered $1 million of improperly received funds, for a total recovery of $3.8 million, as of March 31, 2007.

Ethics and Risk Management

In 2006-2007, the Office of the Chief Risk Officer:

- aided in the implementation of the Integrated Risk Management Framework (IRMF) through the development of an evergreen risk management guide and a corporate risk profile on the Executive Dashboard;

- continued to develop the IRMF methodology and applied it to obtain statistically sound data on Acquisitions activities, completing one pilot control and risk assessment with commencement of two others;
- advanced the Ethics Program, including clarifying its roles and responsibilities, establishing an Ethics and Risk Committee, training all officers in positions at risk, giving ethics and values orientation to new employees, presenting 123 ethics training sessions (56 of them in the regions), and undertaking a full evaluation of the Introduction to Ethics course to improve the course contents;
- implemented a Fairness Monitoring Program by engaging 12 fairness monitors to monitor selected acquisitions with respect to their fairness, openness and transparency;
- responded to disclosures of potential wrongdoing under the *Public Servants Disclosure Protection Act*;
- administered an Alternate Dispute Resolution Program and developed a draft dispute resolution strategy that incorporates changes as a result of the creation of a Procurement Ombudsman for the Government of Canada that will be finalized after a Procurement Ombudsman is appointed; and
- completed the implementation of PWGSC's Ten-Point Integrity Plan.

Audit and Evaluation

The Audit and Evaluation Branch continued to strengthen the internal audit and evaluation functions and to implement the new Treasury Board *Policy on Internal Audit*.

In 2006-2007, Audit and Evaluation moved forward towards this goal with many initiatives, for example:

- A new Audit and Evaluation Committee Charter aligned with the new Treasury Board policy and its directives was approved. One committee member is from the private sector and a second private sector member will be recruited in 2007-2008.
- The Audit and Evaluation Committee approved a Risk-based Multi-year Audit and Evaluation Plan using a comprehensive planning methodology that provides appropriate audit and evaluation coverage.
- The branch identified milestones and developed a system to track them for each audit and evaluation project.
- The branch established a quality control function to ensure that the quality of all internal audit reports meets professional standards.
- The branch began developing a new approach for monitoring and following up on the implementation of management action plans. This new approach will improve the reliability of information reported to the Committee.
- To build capacity, the branch has implemented a Human Resources Stabilization Plan and is developing a recruiting and retention strategy that includes the creation of an Internal Auditor Professional Development Program.

Communications

In 2006-2007, PWGSC produced a variety of materials for Canadians, Parliamentarians and other government departments to build greater awareness of PWGSC's programs and services. We achieved more than 85% of planned communications activities in support of *The Way Forward* business transformation and expanded the Outreach Program to better communicate with suppliers and associations.

Access to Information

The Access to Information and Privacy program administers the *Access to Information Act* (ATIA) and the *Privacy Act* (PA) within PWGSC. Subject to certain specific and limited exceptions, these acts give Canadians, and people present in Canada, the broad legal right to information recorded in any form and controlled by most federal government institutions. The *PA* deals with personal information and the *ATIA* deals with all other

information. In 2006-2007, one of PWGSC's objectives was to complete the processing of 95% of access to information requests within their legislated timelines. Due to resource constraints, which reduced the department's capacity to reach this objective, 81% of access requests were completed on time.

Supporting the Government's Strategic Agenda

In 2006-2007, we improved our management practices and delivery of corporate services, in particular through:

- continued integration of the Management Accountability Framework (MAF) into internal business planning and accountability processes (the Treasury Board Secretariat Assessment, released in May 2007, indicated that 11 MAF indicators have improved since 2004-2005);
- use of the Executive Dashboard (a web application) for the first time for internal business planning and reporting, resulting in a more consistent planning and reporting approach;
- enhancement of security, with the installation of access turnstiles and elevator card readers, as well as with the centralization of the monitoring of the seven central heating and cooling plant alarm systems, resulting in significant cost savings;
- completion of the upgrade to a web-based version of the electronic records management system; and
- ongoing greening of PWGSC's vehicle fleet to enviro-friendly vehicles, most of which use hybrid gasoline-electric technology or can run on an alternative transportation fuel.

Health and Safety

In 2006-2007, PWGSC:

- promoted a seamless integration/implementation of federal and provincial Occupational Health and Safety (OHS) acts, regulations, policies, standards and procedures governing federal workers and non-federal workers occupying PWGSC workplaces.
- developed a site-specific Workplace Profile Program in response to the Hazard Prevention Program Regulation (*Canada Labour Code, Part II, Reg. XIX*);
- increased awareness of the Case/Claims Management Program to provide return to work services for both occupational and non-occupational injuries and illnesses;
- established and maintained a national network of Health and Safety committees. The result has been a reduction in the frequency and severity of accidents, injuries and illnesses to employees, as well as a nil report on work refusals; and
- completed a Pandemic Influenza Contingency Plan including workshops and a number of awareness briefings on flu preparedness.

Financial Services

PWGSC's financial management capacity was enhanced through:

- implementation of the Financial System Transformation Project, which is on schedule to be operational in 2008;
- improvements in costing policy and practices, including production, for a second year, of the PWGSC Activity Costing Report, providing useful information for decision making;
- improved tools to support the management of business results, including monthly branch management reports;
- completion of service-level agreement negotiations for the provision of financial services and enhanced advisory support with all branches; and
- renewal of the financial management workforce through the implementation of the Human Resources Plan, the completion of internal and external recruitment initiatives, and the development of competency profiles and learning and development strategies.

Human Resources

PWGSC continued with the implementation of Human Resources Modernization in support of our business transformation and ongoing business agendas. Building on the results achieved will contribute to continued capacity-building efforts for dealing with demographic challenges and meeting the needs of the business transformation agenda. Our Human Resources Branch:

- contributed to the stabilization of the department through staffing seven out of 10 ADM-level positions, making 110 indeterminate EX appointments and reducing long-term acting positions in the department by 36%;
- launched the Human Resources Development Program for human resources professionals;
- restructured Compensation Services and recruited 64 new compensation advisors, 41 of whom were assigned to the newly established compensation satellite office in Matane, Quebec;
- continued to implement the PWGSC Integrated Human Resources Management Plan, by completing a succession planning pilot, analyzing the results of the Public Service Employment Survey, developing strategies to address employee concerns, and aligning human resources reporting with the People Component of the Management Accountability Framework;
- reduced the compensation backlog, identified in the fall of 2006, by 85% through implementing a new service delivery model in the National Capital Area, establishing a satellite office in Matane, improving recruitment and training of compensation advisors, and hiring new staff;
- received recognition for its support of the National Council of Aboriginal Federal Employees, although more work needs to be done on advancement opportunities for women to senior positions as well as on recruitment of persons from the visible minority designated group;
- supported a work environment conducive to the use of both official languages and led in the application of the *Official Languages Act* (PWGSC received recognition from the Office of the Commissioner of Official Languages for improving its rating from poor to average during 2006-2007. The PWGSC *Official Languages Policy* and *Official Languages Accountability Framework* were adopted to support the effective use of both official languages);
- continued to consult meaningfully and work with unions;
- effectively managed labour relations and conflict management;
- focused on learning through the implementation of the *Continuous Learning Policy*; and
- focused on ethics and management accountability under the *Public Service Modernization Act*.

Performance by Strategic Outcomes

In the following table, we identify the commitments made in our *Report on Plans and Priorities 2006–2007*, as well as our performance against those commitments.

Strategic Outcome: Sound Stewardship

The financial expenditures for Corporate Management are not shown because, for Treasury Board Secretariat's financial reporting purposes, those costs have been re-allocated to the other program activities as departmental overheads.

Program Activity	Planned Results	Actual Results
Support for the transformation of PWGSC to deliver the government's agenda. Establishment of strategic priorities and development of tools for sound, integrated management practices. Enhancement of human resources management and maintenance of strong labour relations. Delivery of a suite of corporate services.	PWGSC programs are provided with corporate functions that are ethical, cost-efficient and delivered within agreed service levels and standards with respect to public service values.	• **Number of corporate management employees as a percentage of total population:** 16.3%. • **Cost of corporate management as a percentage of total departmental costs:** 13.5%. • **Percentage of elements of the PWGSC Ten-Point Integrity Plan successfully completed:** The Plan was completed. • **Percentage of approved internal audit projects completed within committed timeframes and internal standards:** 75%. • **Number of internal service-level agreements (SLAs) in place between other branches and the Corporate Services, Policy and Communications Branch and the Human Resources Branch:** Corporate services continued to be provided as per SLAs to branches/clients within the department. As an example, the Health, Safety, Security, Emergency and Administration Sector has 24 SLAs in place with other branches and departmental organizations to provide ongoing maintenance and support services for the Enterprise Document and Records Management Information Management Suite, and the Communications Sector has SLAs for communications advisory services with other branches. • **Approved financial system strategy implementation:** 100% against project plan timeline. • Implemented Human Resources Management Plan. • **Integrated decision-making processes:** Developed an enhanced capacity to provide financial analytical support to business lines to ensure integrated decision-making processes were achieved in support of merging priorities of *The Way Forward* and the department's ongoing business. • **High-quality financial products:** 100% of SLA transition plans approved with each branch. Directorate management & branch management reporting on target sixth working day of the month. • **Streamlined delivery of transactions:** Fully implemented standardized financial processes and procedures, as well as operationalized SLAs to ensure compliance with approved service delivery. • **Embedded costing processes:** 100% of Cost Management Policy approved-developing implementation plan to address recommendations for the department. • **Branch management reports implemented:** 100% completed, being delivered on the sixth working day of each month.
Timely and effective administration of compensation and benefits.		• **Number of compensation complaints:** Reduced backlog of employee complaints related to compensation by 85%. • **Number of outstanding promotion and acting payments:** Reduced by 50%.

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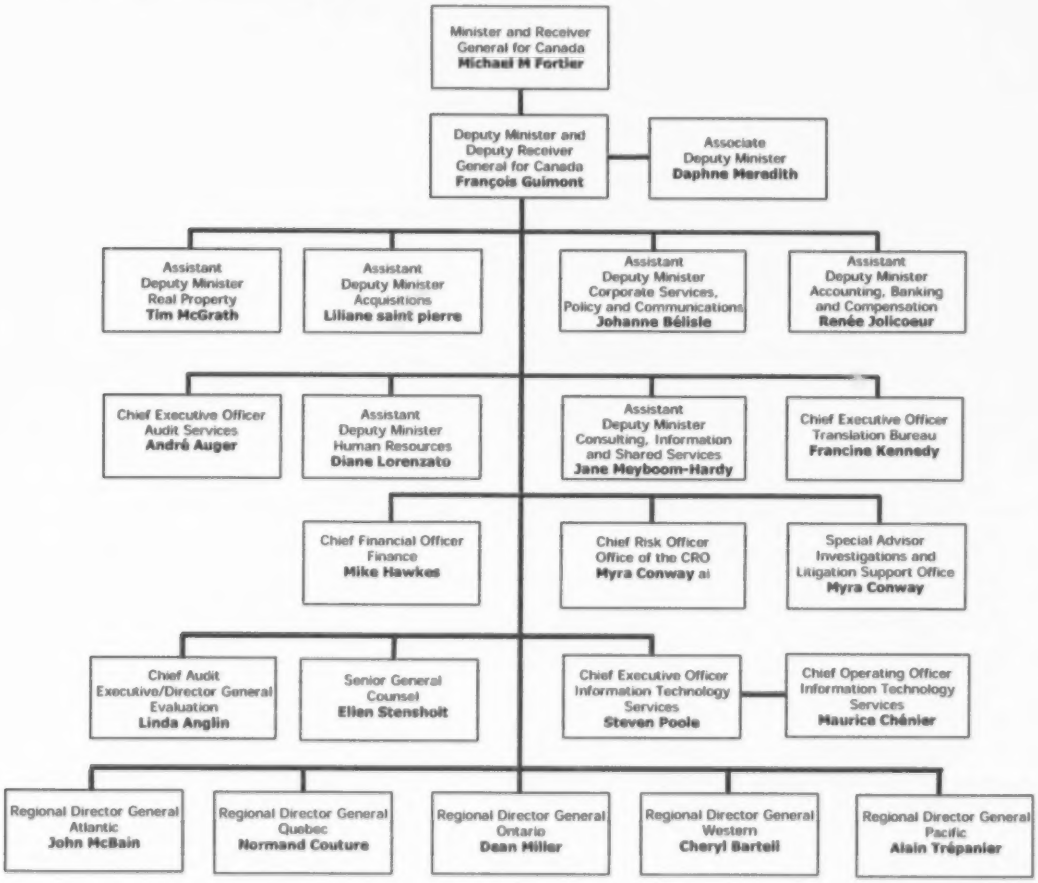
SUPPLEMENTARY INFORMATION

Introduction

This section provides more detailed information on the financial and operational performance of the department. The tables and charts have been prepared in accordance with the Treasury Board guidelines. The financial information appearing in the tables below is in accordance with the Main Estimates, Supplementary Estimates and the Public Accounts.

Organization Chart

Public Works and Government Services Canada



Note: ai – Assigned In

Our Spending

Table 1.1: Comparison of Planned to Actual Spending

(in millions of dollars)

	2006-2007		
	Planned Spending	Total Authorities	Actual
GOVERNMENT SERVICES			
Operating (including Special Purpose Allotments), Capital, Grants and Contributions and Statutory Votes			
Gross Expenditures	3,530.3	*3,710.5*	**3,504.9**
Less: Respendable Revenues	605.4	*891.8*	**891.8**
Net Expenditures	2,924.9	*2,818.7*	**2,613.1**
Revolving Funds Authorities			
Gross Expenditures	1,392.0	*1,398.0*	**1,526.3**
Less: Respendable Revenues	1,400.5	1,400.5	**1,536.1**
Net Resources (Provided) Used	(8.5)	*(2.5)*	**(9.7)**
DEPARTMENTAL TOTAL (Note 1)	2,916.4	*2,816.3*	**2,603.4**
Totals may not add up due to rounding.			
FULL-TIME EQUIVALENTS (FTEs)	**12,502**	***12,626***	**12,338**

Note 1: Please note that this financial table has not been audited.

Table 1.2: Financial Performance Overview

The following explains the significant changes between planned spending, total authorities and actual spending in the department for 2006-2007.

	(in millions of dollars)
PLANNED SPENDING (2006-2007 Report on Plans and Priorities)	**$2,916.4**
Secure Channel Project	94.2
Operating Budget Carry Forward	40.4
Statutory Adjustments (including EBP)	29.4
Accommodation expenditures	28.8
Collective Bargaining	27.2
Government of Canada Marketplace Project and Acquisition Business Transformation	27.0
Government contingencies - Centralized Costs	16.6
Universal Child Care Benefit	8.4
Access to Translation Bureau Revolving Funds accumulated Surplus to sustain funding for the Translation Bureau's investment program	6.0
Information Technology Shared Services Organization implementation	5.2
Multiple Projects Under $5M	2.3
New requirements under the Policy on Internal Audit	0.6
Real Property Special Purpose Allotment funding reprofiled	(15.9)
Capital funding reprofiled	(67.5)
Earmarked items not called or reprofiled	(302.8)
TOTAL AUTHORITIES	**$2,816.3**
Special Purpose Allotments Budget Lapse	
- Real Property Services	81.5
- Receiver General Services	6.2
Capital Funding Lapse	41.2
Conversion Factor	40.2
Operating Budget Lapse	27.1
Frozen Allotments at year-end	9.0
Other Adjustments	7.7
ACTUAL SPENDING	**$2,603.4**

In 2006-2007, PWGSC managed, within its approved spending authorities, to deliver quality services and pursue efficiencies in all its operations. The department maintained ongoing operations while implementing the transformation agenda and giving constant attention to client engagement on the *Way Forward* initiative.

The variance between total authorities and actual spending in the Votes is attributable to delays in staffing and project deliveries as well as deferral of capital purchases. The frozen allotment at year-end for the Shared Travel Services Initiative, along with a forced lapse to cover the conversion factor for employee benefit plans and health care insurance costs in the Real Property Services Special Purpose Allotment, are other factors of the year-end variance.

Five of the six revolving funds broke even or made profits in 2006-2007, with the exception of the Translation Bureau Revolving Fund, which closed the year with a deficit, as pre-authorized by the Treasury Board. Although the Consulting and Audit Canada Revolving Fund made a profit, a transfer from the operating budget was required in order to achieve its targets.

Table 1.3: Historical Comparison of Planned Spending to Actual Spending

(in millions of dollars)

			2006-2007			
	Actual 2004-2005	Actual 2005-2006	Main Estimates	Planned Spending	Total Authorities	Actual
GOVERNMENT SERVICES PROGRAM						
Operating (including Special Purpose Allotments), Capital, Grants and Contributions and Statutory Votes						
Quality Services						
Gross Expenditures	2,044.5	2,083.5	2,168.8	2,516.3	*2,363.8*	2,200.6
Less: Respendable Revenues	456.5	436.3	278.4	278.4	*472.3*	472.3
Federal Accommodation and Holdings	1,588.0	1,647.2	1,890.4	2,237.9	*1,891.5*	1,728.3
Gross Expenditures	786.5	912.3	847.2	847.2	*847.2*	984.8
Less: Respendable Revenues	786.5	912.3	847.2	847.2	*847.2*	984.8
Real Property Services Revolving Fund	-	-	-	-	-	-
Gross Expenditures	1.9	3.7	4.0	4.0	*4.0*	2.8
Less: Respendable Revenues	9.3	6.7	12.0	12.0	*12.0*	8.9
Real Property Disposition Revolving Fund	(7.4)	(3.0)	(8.0)	(8.0)	*(8.0)*	(6.1)
Gross Expenditures	174.4	235.4	193.1	195.3	*227.7*	230.8
Less: Respendable Revenues	40.8	55.2	40.9	40.9	*60.5*	60.5
Acquisition Services	133.6	180.2	152.2	154.4	*167.2*	169.5
Gross Expenditures	78.0	92.6	100.4	100.4	*100.4*	94.3
Less: Respendable Revenues	82.7	94.0	100.4	100.4	*100.4*	95.2
Optional Services Revolving Fund	(4.7)	(1.4)	-	-	-	(0.9)
Gross Expenditures	-	-	-	-	-	-
Less: Respendable Revenues	-	-	-	-	-	-
Defence Production Revolving Fund	-	-	-	-	-	-
Gross Expenditures	444.5	501.1	283.6	283.3	*459.3*	455.1
Less: Respendable Revenues	177.3	219.0	140.1	140.1	*196.0*	196.0
IM/IT Services	267.2	282.1	143.5	143.2	*263.3*	259.0
Gross Expenditures	125.8	135.5	135.8	135.8	*133.8*	161.3
Less: Respendable Revenues	129.7	131.5	135.8	135.8	*133.8*	168.2
Telecommunications Services Revolving Fund	(3.9)	4.0	-	-	-	(6.8)
Gross Expenditures	13.1	11.9	11.4	11.2	*10.9*	10.7
Less: Respendable Revenues	4.9	4.8	2.4	2.4	*3.4*	3.4
Receiver General Services	8.2	7.1	9.0	8.8	*6.6*	7.3
Gross Expenditures	3.7	4.4	3.6	3.6	*4.6*	4.4
Less: Respendable Revenues	2.6	2.9	1.8	1.9	*2.6*	2.6
Public Service Compensation Services	1.1	1.5	1.8	1.7	*2.0*	1.9
Gross Expenditures	58.3	64.3	44.1	43.6	*40.9*	40.0
Less: Respendable Revenues	11.0	14.8	11.2	11.3	*9.2*	9.2
Government Information Services	47.3	49.5	32.9	32.3	*31.7*	30.8

Table 1.3: Historical Comparison of Planned Spending to Actual Spending (cont'd)

(in millions of dollars)

			2006-2007			
	Actual 2004-2005	Actual 2005-2006	Main Estimates	Planned Spending	Total Authorities	Actual
Quality Services (cont'd)						
Gross Expenditures	35.7	31.3	22.4	22.2	*39.8*	**38.3**
Less: Respendable Revenues	10.2	15.4	12.2	12.2	*22.9*	**22.9**
Business Integration Services	25.5	15.9	10.2	10.0	*16.9*	**15.5**
Gross Expenditures	121.2	103.2	98.8	98.7	*98.7*	**71.4**
Less: Respendable Revenues	124.6	103.6	99.2	99.2	*99.2*	**71.9**
CAC Revolving Fund	(3.4)	(0.4)	(0.4)	(0.5)	*(0.5)*	**(0.5)**
Gross Expenditures	48.5	51.4	52.3	51.9	*57.1*	**58.2**
Less: Respendable Revenues	-	-	-	-	-	-
Translation and Interpretation to Parliament, Conference Interpretation, Terminology	48.5	51.4	52.3	51.9	*57.1*	**58.2**
Gross Expenditures	193.1	195.7	205.9	205.9	*211.9*	**211.7**
Less: Respendable Revenues	199.7	204.9	205.9	205.9	*205.9*	**207.1**
Translation Bureau Revolving Fund	(6.6)	(9.2)	-	-	*6.0*	**4.6**
Gross Expenditures	-	-	-	-	-	-
Less: Respendable Revenues	-	-	-	-	-	-
Office of Greening Government Operations Services	-	-	-	-	-	-
Total - Quality Services	**2,093.4**	**2,224.9**	**2,283.9**	**2,431.7**	*2,433.8*	**2,268.9**
Sound Stewardship						
Gross Expenditures	60.4	58.8	35.5	35.1	*56.9*	**53.3**
Less: Respendable Revenues	1.7	1.7	1.4	1.4	*2.0*	**2.0**
Real Property Stewardship	58.7	57.1	34.1	33.7	*54.9*	**51.3**
Gross Expenditures	49.7	59.8	48.3	47.7	*91.6*	**68.1**
Less: Respendable Revenues	10.0	7.4	8.6	8.6	*3.7*	**3.7**
Supply Operations Stewardship	39.7	52.4	39.7	39.1	*87.9*	**64.4**
Gross Expenditures	37.9	14.5	13.4	10.4	*13.0*	**15.0**
Less: Respendable Revenues	5.0	3.2	0.6	0.6	*0.8*	**0.8**
IM/IT Stewardship	32.9	11.3	12.8	9.8	*14.2*	**14.2**
Gross Expenditures	124.3	130.5	148.6	148.2	*155.8*	**146.0**
Less: Respendable Revenues	14.2	14.2	21.3	21.3	*18.0*	**18.0**
Receiver General Stewardship	110.1	116.3	127.4	126.9	*137.8*	**128.0**
Gross Expenditures	33.3	35.2	31.5	31.3	*41.0*	**39.7**
Less: Respendable Revenues	6.9	6.9	3.6	3.6	*7.8*	**7.8**
Public Service Pay Stewardship	26.4	28.3	27.9	27.7	*33.2*	**31.9**
Gross Expenditures	61.4	68.1	64.1	64.3	*77.8*	**75.9**
Less: Respendable Revenues	44.3	48.9	44.1	44.1	*52.6*	**52.6**
Public Service Pension Stewardship	17.1	19.2	20.0	20.2	*25.2*	**23.3**

Table 1.3: Historical Comparison of Planned Spending to Actual Spending (cont'd)

(in millions of dollars)

			2006-2007			
	Actual 2004-2005	Actual 2005-2006	Main Estimates	Planned Spending	Total Authorities	Actual
Sound Stewardship (cont'd)						
Gross Expenditures	6.8	10.2	18.6	18.2	*18.6*	20.3
Less: Respendable Revenues	0.2	0.2	0.1	0.1	-	-
Government Information Stewardship	6.6	10.0	18.5	18.1	*18.6*	20.3
Gross Expenditures	48.9	44.3	43.8	43.9	*48.7*	48.7
Less: Respendable Revenues	40.2	38.2	38.5	38.5	*34.6*	34.6
Business Integration Performance Management	8.7	6.1	5.3	5.4	*6.1*	6.1
Gross Expenditures	2.5	2.5	2.4	2.5	*2.4*	2.4
Less: Respendable Revenues	-	-	-	-	-	-
Translation Stewardship	2.5	2.5	2.4	2.5	*2.4*	2.4
Gross Expenditures	-	-	1.3	1.3	*7.5*	6.2
Less: Respendable Revenues	-	-	-	-	*5.4*	5.4
Office of Greening Government Operations Stewardship	-	-	1.3	1.3	*2.1*	0.7
Total - Sound Stewardship	302.7	303.2	289.4	284.7	*302.4*	342.6
Gross Expenditures	4,554.4	4,850.2	4,579.2	4,922.3	5,108.5	5,031.2
Less: Respendable Revenues	2,158.3	2,322.1	2,005.9	2,005.9	2,292.3	2,427.9
DEPARTMENTAL TOTAL[Note 1]	2,396.1	2,528.1	2,573.3	2,916.4	*2,816.3*	2,603.4
Less: Non-Respendable Revenues	62.8	67.4	21.5	21.5	22.8	63.8
Plus: Cost of services received without charge	55.6	53.5	37.9	37.9	*38.3*	60.2
NET COST OF DEPARTMENT	2,388.9	2,514.2	2,589.7	2,932.8	*2,831.8*	2,599.8
FULL-TIME EQUIVALENTS (FTEs)	12,510	12,483	12,043	12,502	*12,626*	12,338

Totals may not add up due to rounding.

Note 1 : Please note that this financial table has not been audited.

Table 2: Resources by Government Service

(In millions of dollars)

	2006-2007		
	Planned Spending	Total Authorities	Actual
GOVERNMENT SERVICES			
Operating (including Special Purpose Allotments), Capital, Grants and Contributions and Statutory Votes			
Real Property	2,263.6	*1,938.4*	**1,773.5**
Acquisitions	193.5	*255.1*	**233.0**
Information Technology	153.0	*277.5*	**266.4**
Receiver General and Public Service Compensation	185.3	*204.8*	**192.4**
Consulting, Information and Shared Services	50.4	*50.3*	**51.1**
Business Integration	15.4	*23.0*	**21.6**
Consulting and Audit Canada	(0.5)	*(0.5)*	**(0.5)**
Translation Bureau	54.4	*65.5*	**65.2**
Office of Greening Government Operations	1.3	*2.1*	**0.7**
DEPARTMENTAL TOTAL (Note 1)	**2,916.4**	*2,816.3*	**2,603.4**

Totals may not add up due to rounding.

Note 1: Please note that this financial table has not been audited.

Table 3: Voted and Statutory Items

(In millions of dollars)

Vote or Statutory		2006-2007			
					Actual
1	Operating expenditures	2,154.8	2,141.6	*2,365.4*	**2,291.3**
5	Capital expenditures	342.6	654.8	*298.0*	**256.7**
10	Grants and contributions	3.6	47.7	*45.4*	**45.4**
(S)	Minister of Public Works and Government Services - Salary and motor car allowance	0.1	0.1	*0.1*	**0.1**
(S)	Contributions to employee benefit plans	80.6	80.6	*107.4*	**107.4**
(S)	Real Property Services Revolving Fund	-	-	-	-
(S)	Real Property Disposition Revolving Fund	(8.0)	(8.0)	(8.0)	**(6.1)**
(S)	Optional Services Revolving Fund	-	-	-	**(0.9)**
(S)	Telecommunications Services Revolving Fund	-	-	-	**(6.8)**
(S)	Consulting and Audit Canada Revolving Fund	(0.5)	(0.5)	(0.5)	**(0.5)**
(S)	Translation Bureau Revolving Fund	-	-	6.0	**4.6**
(S)	Defence Production Revolving Fund	-	-	-	-
(S)	Payment in lieu of taxes to municipalities and other taxing authorities	-	-	*(0.3)*	**(0.3)**
(S)	Refunds of amounts credited to revenue in previous years	-	-	*1.9*	**1.9**
(S)	Spending of proceeds from the disposal of surplus Crown assets	-	-	*1.0*	**0.6**
DEPARTMENTAL TOTAL (Note 2)		**2,573.3**	**2,916.4**	*2,816.3*	**2,603.4**

Totals may not add up due to rounding.

(S) = Statutory

Note 1 : Please note that this financial table has not been audited.

Note 2: Total Planned Spending is the amount included in the department's 2006-2007 Report on Plans and Priorities and indicates amounts planned at the beginning of the year.

Note 3: Total Authorities include the 2006-2007 Main Estimates plus Supplementary Estimates, transfers from Treasury Board Votes (5 - Government Contingencies - Paylist shortfalls, 10 - Government-Wide Initiatives and 15 - Compensation Adjustments) and other authorities.

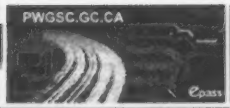


Table 4: Services Received Without Charge

(In millions of dollars)

	Actual
Contributions covering the employer's share of employees' insurance premiums and expenditures paid by the Treasury Board of Canada Secretariat (excluding revolving funds) (Note 1)	52.3
Worker's compensation coverage provided by Human Resources and Social Development Canada	2.6
Salary and associated expenditures of legal services provided by the Department of Justice Canada	5.3
Total - 2006-2007 Services received without charge	**60.2**

Totals may not add up due to rounding.

Note: Please note that this financial table has not been audited.

Note 1: Includes employees' insurance premiums and expenditures paid by Treasury Board of Canada Secretariat for the salary portion spent in the Real Property special purpose allotment within Vote 1.

Table 5: Loans, Investments and Advances (Non-budgetary)

(In millions of dollars)

PROGRAM	Actual as of March 31 2005	2006	2007
GOVERNMENT SERVICES			
Seized Property Working Capital Account (Note 1)	(2.8)	(0.2)	2.0
OTHER			
Miscellaneous accountable imprest and standing advances (Note 2)	16.1	20.8	10.7
Total - Loans, Investments and Advances (Note 3)	13.3	20.6	12.7

Totals may not add up due to rounding.

Note: Please note that this financial table has not been audited.

Note 1: The Seized Property Working Capital Account was established by Section 12 of the *Seized Property Management Act*. The total amount authorized to be outstanding at any time is $50 million.

Note 2: The miscellaneous accountable imprest and standing advances represent amounts recoverable from all federal departments and agencies by the Receiver General. The total amount authorized to be outstanding at any time is $22 million.

Note 3: Further details on the above loans, investments and advances can be found in Volume 1 of the Public Accounts of Canada - Summary Report and Financial Statements.

Table 6: Sources of Respendable and Non-Respendable Revenue

(in millions of dollars)

Government Services Program Activity	Actual 2004-2005	Actual 2005-2006	2006-2007 Planned Revenues	2006-2007 Total Authorities	2006-2007 Actual
Respendable Revenues					
Real Property					
Federal Accommodation and Holdings					
Rentals and Concessions	456.5	436.3	278.4	*472.3*	**472.3**
Real Property Stewardship	1.7	1.7	1.4	*2.0*	**2.0**
Real Property Services Revolving Fund					
Recoveries of disbursements on behalf of clients	619.5	742.3	678.3	*678.3*	**831.4**
Fee revenues from real property related common services	167.0	170.0	168.9	*168.9*	**153.4**
	786.5	912.3	847.2	*847.2*	**984.8**
Real Property Disposition Revolving Fund					
Sales of real properties	9.3	6.7	12.0	*12.0*	**8.9**
Total – Real Property	1,254.0	1,357.0	1,139.0	*1,333.5*	**1,468.0**
Acquisitions					
Acquisition Services					
Major Crown Projects	8.3	12.1	6.6	*13.0*	**16.9**
Acquisitions	21.8	19.2	14.9	*23.2*	**19.6**
Canadian General Standards Board	2.3	2.1	1.8	*2.4*	**2.3**
Crown Assets Distribution (Note 1)	2.4	2.6	-	-	**2.5**
Seized Property Management	6.0	6.5	8.6	*10.7*	**6.7**
Others	-	12.7	9.0	*11.2*	**12.5**
	40.8	55.2	40.9	*60.5*	**60.5**
Supply Operations Stewardship	10.0	7.4	8.6	*3.7*	**3.7**
Optional Services Revolving Fund					
Traffic and Vaccine	72.6	83.3	90.0	*90.3*	**85.8**
Communication Procurement	3.6	4.5	4.1	*2.9*	**3.1**
Locally Shared Support Services	6.5	6.2	6.3	*7.2*	**6.3**
	82.7	94.0	100.4	*100.4*	**95.2**
Total – Acquisitions	133.5	156.6	149.9	*164.6*	**159.4**
Information Technology					
IM/IT Services	177.3	219.0	140.1	*196.0*	**196.0**
IM/IT Stewardship	5.0	3.2	0.6	*0.8*	**0.8**
Telecommunications Services Revolving Fund	129.7	131.5	135.8	*135.8*	**168.2**
Total – Information Technology	312.0	353.7	276.5	*332.6*	**365.0**

Table 6: Sources of Respendable and Non-Respendable Revenue (cont'd)

(in millions of dollars)

Government Services Program Activity	Actual 2004-2005	Actual 2005-2006	2006-2007 Planned Revenues	2006-2007 Total Authorities	2006-2007 Actual
Respendable Revenues (cont'd)					
Receiver General and Public Service Compensation					
Receiver General Services	4.9	4.8	2.4	*3.4*	3.4
Receiver General Stewardship	14.2	14.2	21.3	*18.0*	18.0
Public Service Compensation Services	2.6	2.9	1.9	*2.6*	2.6
Public Service Pay Stewardship	6.9	6.9	3.6	*7.8*	7.8
Public Service Pension Stewardship	44.3	48.9	44.1	*52.6*	52.6
Total – Receiver General and Public Service Compensation	72.9	77.7	73.3	*84.4*	84.4
Government Information					
Government Information Services	11.0	14.8	11.3	*9.2*	9.2
Government Information Stewardship	0.2	0.2	0.1	-	-
Total – Government Information	11.2	15.0	11.4	*9.2*	9.2
Business Integration					
Business Integration Services	10.2	15.4	12.2	*22.9*	22.9
Business Integration Performance Management	40.2	38.2	38.5	*34.6*	34.6
Total – Business Integration	50.4	53.6	50.7	*57.5*	57.5
Consulting and Audit Canada					
Consulting and Audit Canada Revolving Fund	124.6	103.6	99.2	*99.2*	71.9
Translation Bureau					
Translation Bureau Revolving Fund					
Translation Services	195.9	200.7	201.4	*201.4*	202.7
Interpretation Services	2.7	2.9	3.5	*3.5*	3.0
Terminology Services	1.1	1.3	1.0	*1.0*	1.4
Total – Translation Bureau	199.7	204.9	205.9	*205.9*	207.1
Office of Greening Government Operations					
Office of Greening Government Operations Services	-	-	-	-	-
Office of Greening Government Operations Stewardship	-	-	-	*5.4*	5.4
Total Office of Greening Government Operations	-	-	-	*5.4*	5.4
Total Respendable Revenues	2,158.3	2,322.1	2,805.9	*2,292.3*	2,427.9
Non-Respendable Revenues					
Dry Docks	3.8	5.1	5.0	*5.0*	5.5
Miscellaneous non-tax revenues					
Seized Properties [Note 2]	16.5	17.2	-	-	(4.4)
Other non-tax revenues	42.5	45.1	16.5	*17.8*	62.7
Total Non-Respendable Revenues	62.8	67.4	21.5	*22.8*	63.8
DEPARTMENTAL TOTAL	2,221.1	2,389.5	2,027.4	*2,315.1*	2,491.7

Totals may not add up due to rounding.

Note: Please note that this financial table has not been audited.
Note 1: Crown Assets distribution has been transferred to the appropriation as of April 01, 2004, as per Treasury Board decision number 831793.
Note 2: The 2006-2007 amount represents the variance between the amount paid to the shareholders of the program for the prior fiscal year and the sharing results for the current fiscal year to be paid at a future date.

Table 7.1: Real Property Services Revolving Fund

The financial statements of the Real Property Services Revolving Fund may be found on PWGSC's website at: http://www.tpsgc-pwgsc.gc.ca/reports/text/dpr_2006-2007/rmr-dpr-2006-2007-frsi-rpsrf-e.html

Table 7.2: Real Property Disposition Revolving Fund

The financial statements of the Real Property Disposition Revolving Fund may be found on PWGSC's website at: http://www.tpsgc-pwgsc.gc.ca/reports/text/dpr_2006-2007/rmr-dpr-2006-2007-frdi-rpdrf-e.html

Table 7.3: Defence Production Revolving Fund

The financial statements of the Defence Production Revolving Fund may be found on PWGSC's website at: http://www.tpsgc-pwgsc.gc.ca/reports/text/dpr_2006-2007/rmr-dpr-2006-2007-frpd-dprf-e.html

Table 7.4: Optional Services Revolving Fund

The financial statements of the Optional Services Revolving Fund may be found on PWGSC's website at: http://www.tpsgc-pwgsc.gc.ca/reports/text/dpr_2006-2007/rmr-dpr-2006-2007-frso-osrf-e.html

Table 7.5: Telecommunications Services Revolving Fund

The financial statements of the Telecommunications Services Revolving Fund may be found on PWGSC's website at: http://www.tpsgc-pwgsc.gc.ca/reports/text/dpr_2006-2007/rmr-dpr-2006-2007-frstd-tisrf-e.html

Table 7.6: Consulting and Audit Canada Revolving Fund

The financial statements of the Consulting and Audit Canada Revolving Fund may be found on PWGSC's website at: http://www.tpsgc-pwgsc.gc.ca/reports/text/dpr_2006-2007/rmr-dpr-2006-2007-frcvc-cacf-e.html

Table 7.7: Translation Bureau Revolving Fund

The financial statements of the Translation Bureau Revolving Fund may be found on PWGSC's website at: http://www.tpsgc-pwgsc.gc.ca/reports/text/dpr_2006-2007/rmr-dpr-2006-2007-frbt-tbrf-e.html

Table 8: Resource Requirements by Branch or Sector

Details of actual against planned spending by Branch/Sector and Program Activity are provided in Tables 1 and 2.

Table 9.1: User Fees - ATIP

Access to Information and Privacy

				2006-2007					Planning Years		
User Fee	**Fee Type**	**Fee-setting Authority**	**Date Last Modified**	**Forecast Revenue ($000)**	**Actual Revenue ($000)**	**Full Cost ($000)**	**Performance Standard**	**Performance Results**	**Fiscal Year**	**Forecast Revenue ($000)**	**Estimated Full Cost ($000)**
Fees charged for the processing of access requests filed under the *Access to Information Act (ATIA)*	Other Products and Services (O)	*ATIA*	1992	11.6 K	11.75 K	2.2 M	Response provided within 30 days following receipt of request; the response time may be extended pursuant to section 9 of the *ATIA*. Notice of extension to be sent within 30 days after receipt of request.	83.3%	2007-2008 2008-2009 2009-2010	12.34 K 12.96 K 13.61 K	2.31 M 2.43 M 2.55 M
				Total 11.6 K	Total 11.75 K	Total 2.2 M				Total 38.91 K	Total 7.29 M

B) Date Last Modified:
N/A

C) Other Information: It is the Department's practice to waive fees where (a) the total reproduction costs that could be assessed amounts to less than $25; and (b) the legislative time limits have been exceeded by more than 6 months and the request contains a voluminous number of records. In 2006-2007, fees were waived in 60% of ATI requests completed, amounting to $5K waived.

In an effort to reduce the amount of paper copied, applicants can request that certain information be provided to them by electronic means, such as by diskette, CD or email, in order to reduce the amount of fees to be paid. In 2006-2007, 13% of responses to ATI requests were made by electronic means.

Table 9.1: User Fees - Canada Gazette

Canada Gazette

				2006-2007					Planning Years		
User Fee	**Fee Type**	**Fee-setting Authority**	**Date Last Modified**	**Forecast Revenue ($000)**	**Actual Revenue ($000)**	**Full Cost ($000)**	**Performance Standard**	**Performance Results**	**Fiscal Year**	**Forecast Revenue ($000)**	**Estimated Full Cost ($000)**
Subscription rates charged to external/private sector clients for printing and distributing the hardcopy version of the *Canada Gazette*	Regulatory (R)	Subscription fees are set in the *Statutory Instruments Act* assented to in 1971	Subscription fees last revised in 1985	150.9	35.9[1]	220.0[2]	Meet all the legislated publication deadlines for the *Canada Gazette* and meet the publication deadlines for each of our clients. Achieve less than 1% error in all editions of the *Canada Gazette*.	100%: All notices were published within the legislated deadlines. 100%: The *Canada Gazette* met all its publication dates for all formats of the *Canada Gazette*. 100%: The error count was 0.053%, which represents only 3 errors in 5,567 pages published.	2007-2008 Subscriptions 2008-2009 Subscriptions 2009-2010 Subscriptions	38.0 38.0 38.0	$220.0 $220.0 $220.0
				Total 150.9	Total 35.9[1]	Total 220.0[2]				Total 114.0	Total 660.0[3]

B) Date Last Modified: Aug 29, 2007.

C) Other Information:

1. Subject to a departmental legal assessment, the Canada Gazette Directorate is reporting annually on the Subscription Fees charged to external/private sector clients as the *User Fees Act* does not apply to internal clients, i.e. other government departments or agencies. Therefore, although *Canada Gazette* subscription and insertion fees were included in the *2005-2006 Departmental Performance Report*, information on insertion fees will no longer be included in this table as they fall under the contracting authority of the Minister of PWGSC.

2. These figures are only the direct costs of producing the documents.

3. These figures forecast only the direct costs of producing the documents.

Table 9.1: User Fees - Licensing and Certification

The departmental performance reports for 2004-2005 and 2005-2006 reported licensing and certification fees charged to external/private sector clients by the Canadian General Standards Board. A recent legal opinion found that these fees are not subject to the reporting requirements of the *User Fees Act*, and for this reason they are no longer reported in the *Departmental Performance Report*. Information on external service fees charged by the Canadian General Standards Board can be found at: http://www.pwgsc.gc.ca/cgsb/home/index-e.html.

Table 9.1: User Fees - Public Ports and Harbours - Esquimalt Graving Dock

Public Ports and Harbours – Esquimalt Graving Dock (EGD)

				2006-2007					Planning Years		
User Fee	**Fee Type**	**Fee-setting Authority**	**Date Last Modified**	**Forecast Revenue ($000)**	**Actual Revenue ($000)**	**Full Cost ($000)**	**Performance Standard**	**Performance Results**	**Fiscal Year**	**Forecast Revenue ($000)**	**Estimated Full Cost ($000)**
Booking	Regulatory (R) as per *Esquimalt Graving Dock Regulations, 1989 (SOR/89-332 and SOR/95-462)*	Order-in-Council	1995	See Note 2	140.0	See Note 2 No costs were incurred by other departments in support of the fee activity.	EGD meets on a regular and on-going basis with its tenant clients to ensure customer service and client needs are met.	Last fiscal EGD met on a formal basis every other month (6 times/yr) with all tenant clients. Additionally, all major vessels were met prior to departure to ensure needs were met.	2007-2008 2008-2009 2009-2010	See Note 2	See Note 2 No costs were incurred by other departments in support of the fee activity.
Draining					145.0						
Dockage for a vessel per unit of gross tonnage (minimum 2,500 tonnes), per day					1,480.7						
Dockage for cargo on board per tonne of cargo, per day					–						
Berthage at North Landing Wharf, per metre, per day (a) working vessels					155.8						
Berthage at North Landing Wharf, per metre, per day (b) non-working vessels					3.1						
Berthage at South Jetty, per metre, per day					122.4						
Storage of cargo, building materials, equipment or machinery, per tonne, per day					4.3						
Top wharfage, per tonne (minimum 50 tonnes) (one-time charge)					0.1						

Table 9.1: User Fees - Public Ports and Harbours - Esquimalt Graving Dock (cont'd)

				2006-2007					Planning Years		
User Fee	Fee Type	Fee-setting Authority	Date Last Modified	Forecast Revenue ($000)	Actual Revenue ($000)	Full Cost ($000)	Performance Standard	Performance Results	Fiscal Year	Forecast Revenue ($000)	Estimated Full Cost ($000)
Crane per hour (a) with light hook					668.4						
Crane per hour (b) with main hook, up to 50 tonne lift					70.4						
Crane per hour (c) with main hook, over 50 tonne lift					21.0						
Mobile crane, per hour (a) 9-tonne crane					99.4						
Mobile crane, per hour (b) 20-tonne crane					0.8						
Forklift per hour					0.7						
Air compressor, per manifold hour					541.6						
Motor work boat, per hour					2.1						
Fresh water, per cubic metre					33.0						
Electric power, per kilowatt hour					867.0						
Parking, per section, per shift					82.6						
Tie-up and letting go					5.6						
Flood-lights (a) per standard (high mast), per hour					–						

Table 9.1: User Fees - Public Ports and Harbours - Esquimalt Graving Dock (cont'd)

				2006-2007					Planning Years		
User Fee	**Fee Type**	**Fee-setting Authority**	**Date Last Modified**	**Forecast Revenue ($000)**	**Actual Revenue ($000)**	**Full Cost ($000)**	**Performance Standard**	**Performance Results**	**Fiscal Year**	**Forecast Revenue ($000)**	**Estimated Full Cost ($000)**
Flood-lights (b) per caisson (4 lights), per hour					–						
Overtime labour of dry-dock employees, per employee, per hour					260.2						
Commissionaire service, per employee, per hour					201.1						
Other User Fees (see Additional Tariff Items below)	Other Products and Services (O)	Order-in-Council	1995	See Note 2	617.2	See Note 2 No costs were incurred by other departments in support of the fee activity	EGD meets on a regular and on-going basis with its tenant clients to ensure customer service and client needs are met.	Last fiscal EGD met on a formal basis every other month (6 times/yr) with all tenant clients. Additionally, all major vessels were met prior to departure to ensure needs were met.	2007-2008 2008-2009 2009-2010	See Note 2	See Note 2 No costs were incurred by other departments in support of the fee activity
				Sub-total (R) Sub-total (O)	Sub-total (R) 4,925.3 Sub-total (O) 617.2	Sub-total (R) Sub-total (O)			Sub-total Sub-total Sub-total	2007-2008 5,600.0 2008-2009 5,800.0 2009-2010 6,000.0	2007-2008 10,004.7 2008-2009 12,382.7 2009-2010 22,253.0
				Total	Total 5,542.5	Total 9,027.6				Total 17,400.0	Total 44,640.4

B) Date Last Modified: No substantial modification has been made since March 31, 2004.

C) Other Information:
Note 1: Revenue forecast assumes no rate increase during planning horizon. Submission to change rates currently under way.
Note 2: Since revenues are not forecasted and costs are not calculated based on individual fee items, only the total figures are provided for all user fees at the EGD.

Table 9.1: User Fees - Public Ports and Harbours - Esquimalt Graving Dock (cont'd)

Public Ports and Harbours – Esquimalt Graving Dock Additional Tariff Items

TARIFF ITEMS	UNIT RATE
1" Rope	$240.00 / ea
14 Grit Abrasive	$0.60 / lb
16 Grit Abrasive	$0.60 / lb
18 Grit Abrasive	$0.60 / lb
24/25 Grit Abrasive	$0.60 / lb
Administration	$100.00 / hr
Air compressor (secondary)	$25.00 / hr
Air compressor (portable)	$8.00 / hr
Aluminum Oxide	$0.80 / lb
Aluminum Oxide,"A" Grade	$0.80 / lb
AVAC	$40.00 / hr
Berthage at Jenkins Footprint	$0.00 / m-d
Berthage at S. Jetty (working vessel)	$2.75 / m-d
Berthage at Tug Wharf	$2.50 / m-d
Boat Rental	$55.00 / hr
Bond	$10,000.00 / ea
Brown Aluminum Oxide (All Grades)	$0.80 / lb
Clean up	$1,000.00 / ea
Commissionaire service (new rate)	$317.21 / d
Damages	$1,000.00 / ea
EBE 250V - SP10	$1.20 / ft^2
EBE 250V - SP5	$1.30 / ft^2
EBE 250V - SP6	$1.10 / ft^2
EBE 250V - SP7	$1.00 / ft^2
EBE 350 DECK	$0.70 / ft^2
EBE 350 (Deck) - SP10	$0.91 / ft^2
EBE 350H - SP10	$0.91 / ft^2
EBE 350H -SP5	$1.58 / ft^2
EBE 350H - SP6	$0.70 / ft^2
EBE 350H - SP7	$0.53 / ft^2
EBE 350V - SP10	$1.75 / ft^2
EBE 350V - SP5	$2.10 / ft^2
EBE 350V - SP6	$1.30 / ft^2

TARIFF ITEMS	UNIT RATE
EBE 350V – SP7	$0.60 / ft^2
EBE 500 DECK	$1.00 / ft^2
EBE 500H - SP10	$1.30 / ft^2
EBE 500H -SP5	$2.25 / ft^2
EBE 500H - SP6	$1.00 / ft^2
EBE 500H - SP7	$0.75 / ft^2
ENVIROBLAST 500VH	$150.00 / hr
EBE 500V - SP10	$2.00 / ft^2
EBE 500V - SP5	$2.25 / ft^2
EBE 500V - SP6	$1.50 / ft^2
EBE 500V - SP7	$0.75 / ft^2
EBE A-Vac	$40.00 / ft^2
EBE Operator	$0.15 / ft^2
Fine	$100.00 / ea
Freight	$155.48 / ea
Lease	$398.00 / m^2
Miscellaneous	$7,500.00 / ea
Miscellaneous Parts	$7,500.00 / ea
Road Sweeper	$55.00 / hr
Property lease	$2,916.68 / ea
S360 Steel shot	$0.60 / lb
S390 Steel shot	$0.60 / lb
S460 Steel shot	$0.60 / lb
Service Charge	$55.00 / hr
Shackles	$29.45 / ea
Short term lease	$3.33 / m^2
Storage by Area	$3.33 / m^2
Storage by Weight	$1.00 / t/day
Supplementary Charge	$0.67 / ft^2
Thimbles	$3.28 / ea
Vessel on EDC Floating Drydock	$0.00 / month
350 VH	$2,500.00 / day

Table 9.1: User Fees - Public Ports and Harbours – Selkirk Marine Railway Dry Dock

Public Ports and Harbours – Selkirk Marine Railway Dry Dock

				2006-2007					Planning Years		
User Fee	**Fee Type**	**Fee-setting Authority**	**Date Last Modified**	**Forecast Revenue ($000)**	**Actual Revenue ($000)**	**Full Cost ($000)**	**Performance Standard**	**Performance Results**	**Fiscal Year**	**Forecast Revenue ($000)**	**Estimated Full Cost ($000)**
See Tariff Items below	Regulatory (R) as per *Selkirk Marine Railway Dry Dock Regulations, 1989 (SOR/89-331)*	*Department of Public Works and Government Services Act* (1996, c.16)	1989 PC 1989-1198	15.0 See Note 1	15.0 See Note 1	62.4 See Note 1 No costs were incurred by other departments in support of the fee activity	The user fees were introduced prior to March 31, 2004. Performance standards have not been established as contracts are established on an individual custom basis.	Selkirk Marine Railway Dry-dock services are responsive to, and satisfy the specific needs of each external user, in accordance with the Selkirk Marine Railway Dry-dock regulations.	2007-2008 2008-2009 2009-2010	17.7 17.7 17.7	143.0 50.4 51.3
				Sub-total (R) 15.0	Sub-total (R) 15.0	Sub-total (R) 62.4			Sub-total Sub-total Sub-total	2007-2008 17.7 2008-2009 17.7 2009-2010 17.7	2007-2008 143.0 2008-2009 50.4 2009-2010 51.3
				Total 15.0	Total 15.0	Total 62.4				Total 53.1	Total 244.7

B) Date Last Modified: No substantial modification has been made since March 31, 2004.

C) Other Information:
Note 1: Since revenues are not forecasted and costs are not calculated based on individual fee items, only the total figures are provided for all user fees.

Table 9.1: User Fees - Public Ports and Harbours – Selkirk Marine Railway Dry Dock (cont'd)

Public Ports and Harbours – Selkirk Marine Railway Dry Dock Tariff Items

TARIFF OF DOCK CHARGES	
ITEM SERVICES AND FACILITIES	**DOCK CHARGES ($)**
Entry fee	655.00
Setting up keel and bilge blocks	655.00
Hauling out vessel	515.00
Launching vessel	515.00
Accommodation of vessel in the dry dock per day, per unit of gross tonnage	1.05
Fee for the winter term, one vessel	6,000.00
Fee for the winter term, tow vessels, per vessel	3,000.00
Additional charge pursuant to subsection 36(1) up to a maximum of $1,000.00 per day, per unit of gross tonnage	1.80

Table 9.1: User Fees – Translation Bureau – Registration for listing as pre-qualified suppliers

The departmental performance reports for 2004-2005 and 2005-2006 reported registration fees for listing as pre-qualified suppliers with the Translation Bureau. A recent legal opinion found that these fees are not subject to the reporting requirements of the *User Fees Act*, and for this reason they are no longer reported in the *Departmental Performance Report*.

Table 9.2: Policy on Service Standards for External Fees

As of 2006-2007, Table 9.2: Service Standards for External Fees will no longer be included in the print copy of the DPR. An electronic version of this table can be found at: http://www.tpsgc-pwgsc.gc.ca/reports/text/dpr_2006-2007/fu-exf-e.html.

Table 10: Progress Against the Department's Regulatory Plan

No major regulatory initiatives have been undertaken by PWGSC in 2006-2007.

Table 11: Details on Project Spending

(in millions of dollars)

Project	Current Estimated Total Cost	Actual 2004-2005	Actual 2005-2006	Planned Spending 2006-2007	Total Authorities (at March 31, 2007)	Actual 2006-2007
REAL PROPERTY SERVICES						
Office Accommodation Projects						
Nova Scotia						
Halifax - New Government of Canada Building, Bedford Institute of Oceanography - Construction (PPA) [2]	2.8	0.4	0.0	0.5	4.0	0.3
Halifax - New Royal Canadian Mounted Police Government of Canada Building - Construction (PPA) [1]	57.6	1.0	2.3	2.7	8.5	1.0
Prince Edward Island						
Charlottetown - Proposed Government of Canada Building - Construction (EPA)	50.2	2.7	13.8	20.5	50.3	19.4
Quebec						
Montréal - 740 Bel-Air Street - Construction (EPA)	54.7	17.4	25.0	2.1	60.3	2.0
National Capital Area (Quebec)						
Gatineau - Laurier Taché Garage - Renovation (EPA) [6]	61.5	12.0	13.4	12.9	61.5	11.6
National Capital Area (Ontario)						
Ottawa - Federal Judicial Building - New Construction (PPA) [1]	157.7	3.3	0.1	0.2	16.0	0.0
Ottawa - Skyline Campus - Renovation and Federal Occupancy [3]	105.8	4.3	7.4	20.0	105.8	9.3
Ottawa - Central Heating and Cooling Plant - East Tunnel Replacement (PPA) [1]	31.1	0.2	0.0	0.5	1.8	0.2
Parliamentary Precinct						
Ottawa & Gat, Que - Library of Parliament - Conservation, Rehabilitation and Upgrade (EPA)	127.9	25.2	17.5	12.4	127.9	7.4
Ottawa - West Block - Renovation (PPA) [3]	769.2	4.4	15.3	35.0	177.7	13.5
Ottawa - Site Infrastructure - New Construction (PPA) [3]	82.5	0.3	0.1	0.0	4.6	0.0
Ottawa - Wellington Building - Renovation (PPA) [3]	150.1	0.5	0.7	0.5	7.4	1.0
Ottawa - Bank Street - New Construction (PPA) [1, 2 & 3]	18.9	0.1	0.1	0.0	18.9	0.0
Saskatchewan						
Regina - Government of Canada Building – New Construction (EPA)	47.8	5.8	20.0	13.4	47.8	4.7
British Columbia						
Surrey - Royal Canadian Mounted Police "E" Division Headquarters, Purchase Land and Crown Construct (PPA) [1]	204.0	6.6	2.5	0.7	13.7	0.8
Non-Office Accommodation Projects [6]						
Parliamentary Precinct						
Ottawa – Portrait Gallery of Can. – Renovation (EPA) [2,5]	32.3	0.9	2.7	13.2	32.3	0.8
Lease Accommodation Projects						
National Capital Area (Ontario)						
269 Laurier Avenue West, Ottawa, (LPA)	29.1	0.5	5.1	22.9	112.8	24.0
131 Queen Street, Ottawa, (LPA) [3]	166.3	0.5	4.3	32.4	166.3	39.2
181 Queen Street, Ottawa, (LPA) [3]	59.9	8.4	6.4	6.7	59.9	6.3
Ontario						
180 Queen Street West, Toronto, (LPA)	239.0	0.8	9.3	17.8	0.8	12.8
277 Front Street East, Toronto, Lease (LPA)	75.5	0.1	0.3	0.7	0.8	0.2

Table 11: Details on Project Spending (cont'd)

(in millions of dollars)

Project	Current Estimated Total Cost	Actual 2004-2005	Actual 2005-2006	Planned Spending 2006-2007	Total Authorities (at March 31, 2007)	Actual 2006-2007
Engineering Assets Projects						
Newfoundland and Labrador						
Argentia - Environmental remediation (EPA)	93.5	3.9	6.0	**7.0**	93.5	4.8
National Capital Area (Quebec)						
Laniel Dam - Reconstruction (EPA)	21.7	0.7	2.9	**12.6**	21.9	6.7
National Capital Area (Ontario)						
Between Ott. & Gat - Alexandra Bridge - Renovation/Deck Replacement (PPA)[1]	18.6	0.4	0.5	**0.6**	2.1	0.3
INFORMATION TECHNOLOGY						
IT Shared Services						
ITSS – Proof of Concept	15.4	N/A	N/A	**5.6**	5.2	4.9
PUBLIC SERVICE COMPENSATION						
Pension Modernization Project	115.1[7]	3.6	5.6	**7.9**[8]	18.4[8]	7.8
CORPORATE MANAGEMENT - FINANCE						
Financial Systems Transformation Project[9]	62.6	N/A	N/A	**16.7**	13.7	10.9

1: Current Estimated Total Cost has been reduced to the PPA Approved amount.

2: Project currently deferred.

3: Additional information is available in the Status report on Major Crown Projects (Table 12).

4: Project closed – transferred to Library and Archives Canada.

5: Transferred from National Capital Area to Parliamentary Precinct.

6: Current Estimated Total Cost has been reduced to the EPA amount.

7: This figure reflects the amount approved by TB at PPA, which was still in effect as of March 31, 2007. It should be noted that subsequent to the end of FY 2006-2007, on June 13, 2007, the project received EPA, revising the Estimated Total Cost to $203.1.

8: These figures represent the authorities for the Definition Phase of the project, last revised and approved by TB on March 29, 2007.

9: TB decision approved EPA for $59.6 million, which excludes the $3 million pre-development costs.

Table 12: Status Report on Major Crown Projects

a. Long-Term Vision and Plan for the Parliamentary Precinct

The Long-Term Vision and Plan (LTVP) for the Parliamentary Precinct was originally approved in 2001. In May 2005, Cabinet instructed the Minister of PWGSC to return by December 2006 with options to reorganize the LTVP and its associated costs. The revised LTVP was completed by PWGSC in a consultation process with the Parliamentary Partners: the Senate, the House of Commons and the Library of Parliament. The LTVP was completed and approved in June 2007. The plan is a framework that provides direction for the renewal of Canada's seat of government - the Parliamentary Precinct. The revised LTVP builds on the strengths of the original LTVP and reconfirms the original vision of balancing the evolving functional needs of parliamentarians and other users with the overriding commitment to preserve the historic, environmental and symbolic primacy of the site.

The new implementation framework is focused on achieving the long-term vision through five-year programs of work that have three components:

- The major capital component of the first five-year program of work will focus on advancing the critical West Block Renovation Program. The West Block Renovation Program includes the renovations of the La Promenade, the Wellington Building and the Bank of Montreal Building;
- The recapitalization component is aimed at rehabilitating the Centre Block roof and towers and refurbishing the exterior masonry of the East Block (1867 wing) as well as the Confederation Building to address the most serious deterioration. This will extend the life cycle of the buildings and make future restoration projects less complicated, faster and less expensive; and
- The planning component will focus on developing more refined plans and cost estimates for projects in later phases, including the restoration of the East and Centre Block buildings, a new committee/office building (West Terrace Pavilion), a new Security and Visitor Services facility and use of 100 Wellington Street.

In addition to a new implementation framework that enables us to set both long-term direction and achieve immediate priorities, the revised LTVP has strong new oversight and accountability measures that will ensure effective management of the costing, planning and scheduling of the LTVP. This requires new government approvals every five years, annual reports to the Treasury Board Secretariat and quarterly report cards to the Minister of PWGSC and the Parliamentary Precinct Oversight Advisory Committee.

Further information on this subject may be found on the PWGSC website at:
http://www.tpsgc-pwgsc.gc.ca/reports/text/dpr_2006-2007/rpe-cpt-e.html

b. Conservation, Rehabilitation and Upgrade of the Library of Parliament

The scope includes the rehabilitation of the main library building on Parliament Hill, fit-up of swing space locations, and building components and connectivity for all locations. The project is the first in the 2001 Long-Term Vision and Plan for the Parliamentary Precinct, although the project has been under way since 1995. The objective is to renew the main library building for at least another 50 years so that it may continue as a functioning library and significant tourist attraction. The work involves full rehabilitation from the weathervane to the foundation, including the excavation of three new basement levels. The total approved budget is $127.9 million.

Further information on this subject may be found on the PWGSC website at:
http://www.tpsgc-pwgsc.gc.ca/reports/text/dpr_2006-2007/rpe-cpt-e.html

c. Bank Street Building (New Parliamentary Precinct Building)

The purpose of this project was to construct a new Parliamentary Precinct building of about 20,500 square metres, to include 39 offices for Senators, 12 modern committee rooms and support spaces for the House of Commons, plus an additional 10,000 square metres for a 300-car underground parking garage. This building was identified as a priority in the Long-Term Vision and Plan for the Parliamentary Precinct. It would allow parliamentary functions to be located within the Parliamentary Precinct while other parliamentary buildings badly in need of renovations are vacated.

This project was put on hold in December 2003 while the government conducted an expenditure review. In May 2005, the West Block Renovation Program, which was originally scheduled within Phase 2 of the LTVP, was advanced to Phase 1 due to the accelerated deterioration of the masonry and health and safety concerns related to asbestos. As a result of the rescheduling of the West Block project, the architectural design competition for the Bank Street Building was cancelled in June 2005, and the Bank Street Building and Site Infrastructure projects were suspended pending a review of the overall LTVP. The cost estimate at the time the project was put on hold was $325.1 million.

Further information on this subject may be found on the PWGSC website at:
http://www.tpsgc-pwgsc.gc.ca/reports/text/dpr_2006-2007/rpe-cpt-e.html

d. Wellington Building Renovation Project

The Wellington Building is a classified heritage building that is located at 180 Wellington Street, across from Parliament Hill. It is a six-storey structure built in 1925. Metropolitan Life Insurance Company completed the last major renovation in 1959. The House of Commons has been the major tenant since the Crown expropriated the building in 1973.

Renovations are required for health and safety reasons, to replace obsolete building systems and to meet current building code requirements. The planned start of construction is in December 2009, with completion of the committee rooms scheduled for July 2013. The building will be completely vacated during the renovations. The current cost estimate is $279.1 million.

The work will be completed in two phases to expedite project delivery.

This project is a key enabler of the West Block Building Renovation Program, because during renovations the Wellington building will provide interim accommodations for the West Block committee rooms.

Further information on this subject may be found on the PWGSC website at:
http://www.tpsgc-pwgsc.gc.ca/reports/text/dpr_2006-2007/rpe-cpt-e.html

e. West Block Renovation Project

The West Block is a classified heritage building that is located on Parliament Hill. It is the oldest of the parliamentary buildings forming a triad with the Centre Block and the East Block. It provides accommodation for Members of Parliament and for parliamentary functions. The building requires major renovations for health and safety and asset integrity reasons.

The renovation project was initiated in 1992 under the Parliamentary Precinct Long-Term Construction Program and received EPA in February 1997. In 1998, the project was put on hold and was subsequently placed under Phase 2 of the June 2001 Long-Term Vision and Plan (LTVP) for the Parliamentary Precinct. However, due to the accelerated deterioration of the masonry walls and the high risk of friable asbestos in

the ceiling plenum, in May 2005, Cabinet approved advancing the major renovations to Phase 1 of the LTVP.

Construction will be undertaken in phases. Emergency stabilization will involve the erection of scaffolding around the towers to eliminate the risk of collapse. Engineered stabilization work, as well as repairs and conservation of the masonry, will follow.

Implementation of the subsequent Program will be carried out in two phases. Stage 1 will focus primarily on the provision of interim space that will allow the progressive vacating of the West Block Building, as well as a limited amount of exterior masonry repairs. The building will be vacated during phase 2. Occupants will be relocated to swing space during Stage 1 and for the duration of Stage 2 work.

In June 2005, Treasury Board granted Revised PPA in the amount $769.2 million (indicative estimate, current dollars, excluding GST) including swing space. In December 2006 and February 2007, an EPA of $235 million (excluding GST) for the Stage 1 projects as well as $17.2 million spending authority to advance the planning and design of the Stage 2 projects were also approved.

Further information on this subject may be found on the PWGSC website at:
http://www.tpsgc-pwgsc.gc.ca/reports/text/dpr_2006-2007/rpe-cpt-e.html

f. Pension Modernization Project

The Government of Canada Pension Modernization Project (GCPMP) is a major component of PWGSC's Transformation of Pension Administration agenda. The purpose of this project is to renew PWGSC's pension administration systems and services, and transform its business processes. This will allow PWGSC to provide industry standard pension administration services to employees, employers and pensioners.

PWGSC's approximately 40-year-old systems and business-process infrastructure for pension administration is in grave need of renewal. The limited capabilities of existing processes and the archaic technology of the legacy systems severely compromise PWGSC's ability to sustain current service levels. As well, they severely limit PWGSC's ability to offer future services that are comparable to the delivery performance and cost-effectiveness of industry leaders.

Employers are looking to provide better and broader services to their employees. Demographic trends indicate that by 2016, approximately 40% of the current public service will have become eligible for retirement. As a result, increasingly large numbers of employees are seeking retirement counselling and want access to capabilities that allow them to analyze their pension benefit options. Similarly, demands for enrolment services are increasing as new employees are hired to replace retirees. At the same time, pension administration business units face significant losses of experienced, trained personnel, as approximately 42% of the compensation trainers, supervisors, managers and coaches will be eligible to retire by the fall of 2009.

The GCPMP has completed its Project Definition Phase. A Requirements Mapping and Gap Analysis for the business and technical requirements and a proposed solution were completed in the spring of 2006. This exercise included the mapping of the future business processes as well as the core processes built into the solution's commercial products. The project team also completed the preliminary system design and implementation planning, developed substantive estimates, and submitted a Treasury Board submission seeking effective project approval, which was received in June 2007. The project is now beginning its Implementation Phase activities, which are expected to take 4½ years to complete.

Further information on the Pension Modernization Project may be found on the PWGSC website at:
http://www.tpsgc-pwgsc.gc.ca/reports/text/dpr_2006-2007/rpe-cpt-e.html.

Table 13: Details on Transfer Payment Programs

(in millions of dollars)

			2006-2007		
	Actual 2004-2005	Actual 2005-2006	Planned Spending	*Total Authorities*	Actual
GOVERNMENT SERVICES					
Federal Accommodation and Holdings					
GRANTS					
Municipalities and Other Taxing Authorities (Note 1)	0.81	1.16	-	-	(0.27)
Grants in support of activities and projects to increase the understanding and appreciation of Canadian identity and to develop social awareness	-	-	1.00	-	-
	0.81	1.16	1.00	-	(0.27)
CONTRIBUTIONS					
Argentia Management Authority (Note 2)	-	4.00	1.17	*1.27*	1.25
Divestiture of the Trois-Rivières harbourfront park (Note 2)	-	5.07	-	-	-
Divestiture of the 3 Dams (Laniel, Kipawa and Des Quinze)	-	-	-	*44.12*	44.12
Canadian Standards Association	-	-	0.012	*0.012*	0.012
Contributions in support of activities and projects to increase the understanding and appreciation of Canadian identity and to develop social awareness	-	-	1.45	-	-
	-	9.07	2.63	*45.40*	45.38
TOTAL FEDERAL ACCOMMODATION AND HOLDINGS	0.81	10.23	3.63	*45.40*	45.11
Total Transfer Payments	0.81	10.23	3.63	*45.40*	45.11

Totals may not add up due to rounding.

Note: Please note that this financial table has not been audited.

Note 1: Funding for Payments to Municipalities and Other Taxing Authorities was devolved to the applicable custodial departments. The figures reported represent payments not recovered by year-end from custodial clients.

Note 2: The 2005-2006 Actual amount was adjusted to reflect the amount published in the *2005-2006 Public Accounts of Canada*.

Table 14: Conditional Grants (Foundations)

PWGSC is not responsible for administering conditional grant funding agreements.

Table 15: Financial Statements of Departments and Agencies

Public Works and Government Services Canada

Travaux publics et Services gouvernementaux Canada

Financial Statements are prepared in accordance with accrual accounting principles. The unaudited supplementary information presented in the financial tables in the DPR is prepared on a modified cash basis of accounting in order to be consistent with appropriations-based reporting. Note 3 on page 111 of the financial statements reconciles these two accounting methods.

Consistent with our commitment to deliver a more robust financial management framework, PWGSC is moving towards the implementation of the government-wide Audited Departmental Financial Statements Initiative (ADFSI). The readiness assessment exercise for this initiative is completed. At the same time, PWGSC is implementing a new integrated financial and materiel management system. This system is on schedule to be implemented in fiscal year 2008-2009. Given that system control documentation and assessment are important contributors to the success of the ADFSI, PWGSC will experience some delays in obtaining an audit opinion on its financial statements.

Canada

Table 15: Financial Statements of Departments and Agencies (cont'd)

Public Works and Government Services Canada

Statement of Management Responsibility

Responsibility for the integrity and objectivity of the accompanying consolidated financial statements for the year ended March 31, 2007 and all information contained in these statements rests with Public Works and Government Services Canada (PWGSC) management. These consolidated financial statements have been prepared by management in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

Management is responsible for the integrity and objectivity of the information in these consolidated financial statements. Some of the information in the consolidated financial statements is based on management's best estimates and judgement and gives due consideration to materiality. To fulfill its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of PWGSC financial transactions. Financial information submitted to the *Public Accounts of Canada* and included in PWGSC's *Departmental Performance Report* is consistent with these consolidated financial statements.

Management maintains a system of financial management and internal control designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are in accordance with the *Financial Administration Act*, are executed in accordance with prescribed regulations, within Parliamentary authorities, and are properly recorded to maintain accountability of government funds. Management also seeks to ensure the objectivity and integrity of data in its consolidated financial statements by careful selection, training and development of qualified staff, by organizational arrangements that provide appropriate divisions of responsibility, and by communication programs aimed at ensuring that regulations, policies, standards and managerial authorities are understood throughout PWGSC.

The consolidated financial statements of PWGSC have not been audited.

François Guilmont, Deputy Minister
Public Works and Government Services Canada

Gatineau, Canada

SEP 0 5 2007

Date

Mike Hawkes, Chief Financial Officer
Public Works and Government Services Canada

Gatineau, Canada

SEP 0 5 2007

Date

Table 15: Financial Statements of Departments and Agencies (cont'd)

Public Works and Government Services Canada

Consolidated Statement of Operations *(Unaudited)*

For the year ended March 31

(in thousands of dollars)	2007	2006 *Restated (Note 18)*
Expenses *(Note 4)*		
Real Property	3,188,812	2,971,892
Information Technology	536,027	498,942
Acquisitions	391,187	351,143
Receiver General and Public Service Compensation	281,101	245,885
Translation Bureau	203,561	189,289
Business Integration	80,055	70,180
Government Information and Consulting	68,156	77,213
Consulting and Audit Canada	58,177	91,597
Greening Government Operations	2,023	-
Total expenses	4,809,099	4,496,141
Revenues *(Note 5)*		
Real Property	1,417,344	1,376,894
Information Technology	232,875	182,153
Acquisitions	166,837	153,822
Translation Bureau	132,456	140,445
Receiver General and Public Service Compensation	86,101	64,999
Consulting and Audit Canada	60,054	92,301
Business Integration	53,501	51,772
Government Information and Consulting	9,390	11,294
Greening Government Operations	712	-
Total revenues	2,159,270	2,073,680
Net cost of operations	2,649,829	2,422,461

The accompanying notes form an integral part of these consolidated financial statements.

Table 15: Financial Statements of Departments and Agencies (cont'd)

Public Works and Government Services Canada

Consolidated Statement of Financial Position *(Unaudited)*

At March 31

(in thousands of dollars)

Assets	2007	2006
Financial assets		
Accounts receivable and advances *(Note 6)*	407,655	327,927
Inventory held for resale	5,304	4,696
Seized Property Working Capital Account	17,461	15,546
	430,420	348,169
Non-financial assets		
Prepaid expenses	7,537	6,236
Tangible capital assets *(Note 7)*	4,344,749	4,072,549
	4,352,286	4,078,785
Total assets	**4,782,706**	**4,426,954**

Liabilities and Equity of Canada		
Liabilities		
Accounts payable and accrued liabilities *(Note 8)*	619,804	595,407
Other liabilities *(Note 9)*	80,337	73,181
Lease obligation for tangible capital assets *(Note 10)*	1,258,966	990,284
Vacation pay and compensatory leave	46,420	50,091
Employee severance benefits *(Note 11)*	220,739	181,235
Environmental liabilities - contaminated sites *(Note 12)*	320,155	318,598
Lease inducements	27,391	28,168
	2,573,812	2,236,964
Equity of Canada (Note 15)	2,208,894	2,189,990
Total liabilities and equity of Canada	**4,782,706**	**4,426,954**

Contingent liabilities *(Note 12)*
Contractual obligations *(Note 13)*

The accompanying notes form an integral part of these consolidated financial statements.

Table 15: Financial Statements of Departments and Agencies (cont'd)

Public Works and Government Services Canada

Consolidated Statement of Equity of Canada *(Unaudited)*

For the year ended March 31

(in thousands of dollars)	2007	2006 *Restated (Note 18)*
Equity of Canada, beginning of year	**2,189,990**	**2,169,538**
Net cost of operations	**(2,649,829)**	**(2,422,461)**
Current year appropriations used *(Note 3)*	**2,605,650**	**2,530,779**
Revenue not available for spending *(Note 3)*	**(57,160)**	**(81,701)**
Transfer of activities *(Note 16)*	**3,132**	**-**
Change in net position in the Consolidated Revenue Fund *(Note 3)*	**56,823**	**(59,783)**
Services received without charge from other government departments *(Note 14)*	**60,288**	**53,618**
Equity of Canada, end of year *(Note 15)*	**2,208,894**	**2,189,990**

The accompanying notes form an integral part of these consolidated financial statements.

Table 15: Financial Statements of Departments and Agencies (cont'd)

Public Works and Government Services Canada

Consolidated Statement of Cash Flow *(Unaudited)*

For the year ended March 31

(in thousands of dollars)	2007	2006 *Restated (Note 18)*
Operating activities		
Net cost of operations	**2,649,829**	2,422,461
Non cash items:		
Amortization of tangible capital assets *(Note 7)*	**(370,989)**	(355,829)
Gain or loss on disposals / Adjustments of tangible capital assets	**(69,437)**	(9,764)
Services received without charge from other government departments *(Note 14)*	**(60,288)**	(53,618)
Transfer of activities *(Note 16)*	**(3,132)**	-
Variations in Consolidated Statement of Financial Position:		
Increase (decrease) in financial assets	**82,251**	(13,852)
Increase (decrease) in prepaid expenses	**1,301**	323
Increase (decrease) in liabilities other than lease obligation for tangible capital assets	**(68,166)**	(33,110)
Cash used by operating activities	**2,161,369**	1,956,611
Capital investment activities		
Acquisition of tangible capital assets *(Note 7)*	**361,665**	374,046
Payment on lease obligation for tangible capital assets	**86,201**	70,132
Proceeds on disposal of tangible capital assets	**(3,922)**	(11,494)
Cash used by capital investment activities	**443,944**	432,684
Financing activities		
Net cash provided by Government of Canada	**(2,605,313)**	(2,389,295)

The accompanying notes form an integral part of these consolidated financial statements.

Table 15: Financial Statements of Departments and Agencies (cont'd)

Public Works and Government Services Canada

Notes to the Consolidated Financial Statements *(Unaudited)*

For the year ended March 31

1. Authority and objectives

The department of Public Works and Government Services Canada (PWGSC) was established effective June 20, 1996, under the *Department of Public Works and Government Services Act*. This legislation specifies that PWGSC shall provide common, central and shared services to other government departments and agencies, thereby enabling them to provide programs and services to Canadians. These services are grouped into the following key areas:

- Real Property provides accommodation to federal departments and agencies in addition to providing them with strategic and expert advice for the acquisition, development, construction, management, operation, maintenance, repair and disposal of real property;
- Acquisitions offers client departments and agencies a broad base of procurement solutions such as specialized contracts, standing offers, supply arrangements and electronic marketplaces as well as specialized services such as the management of seized property;
- Information Technology provides a wide range of services to departments and agencies in the areas of informatics and telecommunications services; professional training and development services in information and communications technologies; and electronic access to government information and services for Canadians;
- Receiver General and Public Service Compensation manages the operations of the federal treasury, including payment issue and revenue collection for all government departments, provides payroll, benefits and pension plan administration services for the Public Service of Canada, prepares the *Public Accounts of Canada*, and produces the government's Monthly Statements of Financial Operations. The authority for Receiver General functions is the *Financial Administration Act;*
- Government Information and Consulting's programs and services aim to enhance government communications and public sector management of key communications activities such as advertising and public opinion research. Consulting Services provides quality services to improve management in the Canadian government and abroad;
- Greening Government Operations establishes government-wide priorities, accountabilities, targets, timelines and reporting requirements to assist the government in becoming a model of environmental excellence in its own operations;

Table 15: Financial Statements of Departments and Agencies (cont'd)

Public Works and Government Services Canada

Notes to the Consolidated Financial Statements *(Unaudited)*

For the year ended March 31

1. Authority and objectives *(continued)*

- Business Integration manages the customer relationship by determining the strategic business needs of client departments, informing them of PWGSC's services, and measuring customer satisfaction in order to improve service delivery. It also provides centralized support to federal government corporate administrative systems, and delivers security programs for protecting government information, assets and controlled goods;
- Special Operating Agencies, of which there are two: Consulting and Audit Canada, and the Translation Bureau. Consulting and Audit Canada's services were realigned in 2005-2006. The agency now exclusively provides audit and assurance services, while government consulting and corporate services were transferred to the Government Information Services Branch. The Translation Bureau helps the government serve Canadians and communicate with them in the official language of their choice by: using standardized terminology within the public service; and providing translation, editing, interpretation, terminology and technolinguistic services for Parliament, the judiciary, and federal departments and agencies.

2. Summary of significant accounting policies

The consolidated financial statements have been prepared in accordance with Treasury Board accounting policies, which are consistent with Canadian generally accepted accounting principles for the public sector.

Significant accounting policies are as follows:

(a) Parliamentary appropriations

PWGSC is financed by the Government of Canada through Parliamentary appropriations. Appropriations provided to PWGSC do not parallel financial reporting according to generally accepted accounting principles since appropriations are primarily based on cash flow requirements. Consequently, items recognized in the consolidated Statement of Operations and the consolidated Statement of Financial Position are not necessarily the same as those provided through appropriations from Parliament. Note 3 provides a high-level reconciliation between the bases of reporting.

(b) Consolidation

These consolidated financial statements include the accounts of seven revolving funds as listed below. Each revolving fund prepares a complete set of financial statements annually that are audited and published in the *Public Accounts of Canada*. The accounts of these revolving funds have been consolidated with those of PWGSC and all inter-organizational balances and transactions have been eliminated.

Table 15: Financial Statements of Departments and Agencies (cont'd)

Public Works and Government Services Canada

Notes to the Consolidated Financial Statements *(Unaudited)*

For the year ended March 31

2. Summary of significant accounting policies *(continued)*

The PWGSC revolving funds are as follows:

- Consulting and Audit Canada Revolving Fund
- Defence Production Revolving Fund
- Optional Services Revolving Fund
- Real Property Disposition Revolving Fund
- Real Property Services Revolving Fund
- Telecommunications and Informatics Common Services Revolving Fund
- Translation Bureau Revolving Fund

(c) Net cash provided by Government

PWGSC operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by PWGSC is deposited to the CRF and all cash disbursements made by PWGSC are paid from the CRF. The net cash provided by Government is the difference between all cash receipts and all cash disbursements including transactions between departments of the federal government.

(d) Change in net position in the Consolidated Revenue Fund

This is the difference between the net cash provided by Government and appropriations used in a year, excluding the amount of non respendable revenue recorded by PWGSC. It results from timing differences between when a transaction affects appropriations and when it is processed through the CRF.

(e) Revenues

- Revenues are accounted for in the period in which the underlying transaction or event occurred that gave rise to the revenue.
- Revenues from regulatory fees are recognized in the accounts based on the services provided in the year.

(f) Expenses

Expenses are recorded on the accrual basis of accounting:

- Services provided without charge by other government departments for the employer's contribution to the health and dental insurance plans, worker's compensation and legal services are recorded as operating expenses at their estimated cost.
- Vacation pay and compensatory leave are expensed as the benefits accrue to employees under their respective terms of employment.

Table 15: Financial Statements of Departments and Agencies (cont'd)

Public Works and Government Services Canada

Notes to the Consolidated Financial Statements *(Unaudited)*

For the year ended March 31

2. Summary of significant accounting policies *(continued)*

- Grants are recognized in the year in which the conditions of payment are met. In the case of grants which do not form part of an existing program, the expense is recognized when the Government announces a decision to make a non-recurring transfer, provided the enabling legislation or authorization for payment receives Parliamentary approval prior to the completion of the consolidated financial statements.
- Contributions are recognized in the year in which the recipient has met the eligibility criteria or fulfilled the terms of a contractual transfer agreement.

(g) Employee future benefits

(i) Pension benefits: Eligible employees participate in the Public Service Pension Plan, a multi-employer plan administered by the Government of Canada. The department's contributions to the Plan are charged to expenses in the year incurred and represent the total departmental obligation to the Plan. Current legislation does not require the department to make contributions for actuarial deficiencies of the Plan.

(ii) Severance benefits: Employees are entitled to severance benefits under labour contracts or conditions of employment. These benefits are accrued as employees render the service necessary to earn them. The obligation relating to the benefits earned by employees is calculated based on the number of years of service and the salary level for each employee.

(h) Accounts receivable and advances

Accounts receivable and advances are stated at amounts expected to be ultimately realized; a provision is made for receivables where recovery is considered uncertain.

(i) Lease inducements

Lease inducements represent incentives received by PWGSC to enter into a lease. Lease inducements include incentives such as: free rent, cash received to be applied to rent, lump sum cash, leasehold improvements and moving costs paid by lessor. The lease inducements are accounted for as follows:

- Rent free periods or periods of significantly reduced rent are allocated over the term of the lease on a straight-line basis;
- Cash payments from the lessor to the lessee are accounted for as reductions in rental expense over the term of the lease;
- Leasehold improvements are amortized over the remaining life of the lease or the useful life of the improvement, whichever is shorter;
- Moving costs absorbed by the lessor are amortized over the term of the lease.

Table 15: Financial Statements of Departments and Agencies (cont'd)

Public Works and Government Services Canada

Notes to the Consolidated Financial Statements *(Unaudited)*

For the year ended March 31

2. Summary of significant accounting policies *(continued)*

(j) Contingent liabilities

Contingent liabilities are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the consolidated financial statements.

k) Environmental liabilities

Environmental liabilities reflect the estimated costs related to the management and remediation of environmentally contaminated sites. Based on management's best estimates, a liability is accrued and an expense recorded when the contamination occurs or when the department becomes aware of the contamination and is obligated, or is likely to be obligated to incur such costs. If the likelihood of the department's obligation to incur these costs is not determinable, or if an amount cannot be reasonably estimated, the costs are disclosed as contingent liabilities in the notes to the consolidated financial statements.

(l) Inventories

Inventories held for resale are physical items that will be sold in the future in the ordinary course of business to parties outside of the government reporting entity.

(m) Tangible capital assets

Betterments and leasehold improvements carried out on buildings and works and infrastructure having an initial cost of $25,000 or more are recorded at their acquisition cost. All other tangible capital assets having an initial cost of $10,000 or more are recorded at their acquisition cost.

Table 15: Financial Statements of Departments and Agencies (cont'd)

Public Works and Government Services Canada

Notes to the Consolidated Financial Statements *(Unaudited)*

For the year ended March 31

2. Summary of significant accounting policies *(continued)*

Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of each asset as follows:

Asset class	Amortization period
Buildings	25 years
Works and infrastructure	40 years
Machinery and equipment	3 to 20 years
Informatics hardware and software	3 to 5 years
Vehicles	7 to 8 years
Leasehold improvements	Lesser of the remaining term of the lease or useful life of the improvement
Assets under construction	Once in service, in accordance with asset class
Leased tangible capital assets	In accordance with asset class if ownership is likely to transfer to PWGSC; otherwise, over the lease term

(n) Measurement uncertainty

The preparation of these consolidated financial statements in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the consolidated financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant items where estimates are used are contingent liabilities, environmental liabilities, the liability for employee severance benefits and the useful life of tangible capital assets. Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the consolidated financial statements in the year they become known.

(o) Seized Property Working Capital Account

This account was established by section 12 of the *Seized Property Management Act*. Expenses incurred, and advances made, to maintain and manage any seized or restrained property and other properties subject to a management order or forfeited to Her Majesty, are charged to this account. This account is credited when expenses and advances to third parties are repaid or recovered and when revenues from these properties or proceeds of their disposal are received and credited with seized cash upon forfeiture.

The total amount authorized to be outstanding in the Seized Property Working Capital Account at any time is $50,000,000.

Table 15: Financial Statements of Departments and Agencies (cont'd)

Public Works and Government Services Canada

Notes to the Consolidated Financial Statements *(Unaudited)*

For the year ended March 31

2. Summary of significant accounting policies *(continued)*

Any shortfall between the proceeds from the disposition of any property forfeited to Her Majesty and the amounts that were charged to this account and that are still outstanding, is charged to a Seized Property Proceeds Account and credited to this account.

(p) Payment in lieu of taxes to municipalities and other taxing authorities

PWGSC administers the Payments in Lieu of Taxes Program on behalf of all federal departments and agencies under the authority of the *Payments in Lieu of Taxes Act*.

In accordance with the Constitution Act, the Government of Canada is exempt from property taxes. The Government of Canada voluntarily pays an appropriate share of the costs of local government to municipalities and other taxation authorities having jurisdiction to levy and collect real property tax in locations where federal lands and buildings are situated.

The payments are made to the taxing authorities by PWGSC and are then recovered from each participating federal department.

3. Parliamentary appropriations

PWGSC receives most of its funding through annual Parliamentary appropriations. Items recognized in the Consolidated Statement of Operations and the Consolidated Statement of Financial Position in one year may be funded through Parliamentary appropriations in prior, current or future years.

Accordingly, PWGSC has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

Table 15: Financial Statements of Departments and Agencies (cont'd)

Public Works and Government Services Canada

Notes to the Consolidated Financial Statements *(Unaudited)*

For the year ended March 31

3. Parliamentary appropriations *(continued)*

(a) Reconciliation of net cost of operations to current year appropriations used

(in thousands of dollars)	2007	2006 *Restated (Note 18)*
Net cost of operations	2,649,829	2,422,461
Adjustments for items affecting net cost of operations but not affecting appropriations:		
Add (less):		
Amortization of tangible capital assets *(Note 7)*	(370,989)	(355,829)
Reclassification of assets under construction	(73,786)	(56,624)
Services received without charge from other government departments *(Note 14)*	(60,288)	(53,618)
Justice Canada legal services	(5,286)	(5,634)
Decrease (increase) in lease inducements	(2,306)	(1,045)
Revenue (expenses) from Seized Property Proceeds Account *(Note 15)*	(4,375)	17,249
Vacation pay and compensatory leave	3,726	(1,497)
Employee severance benefits	(42,550)	(12,229)
Revenue not available for spending	57,160	81,701
Decrease (increase) in environmental liabilities for contaminated sites	(1,556)	4,771
Adjustments to tangible capital assets	4,706	46,860
Other	(8,182)	152
	(503,726)	(335,743)
Adjustments for items not affecting net cost of operations but affecting appropriations:		
Add:		
Acquisitions and adjustments of tangible capital assets	361,665	364,279
Payments on lease obligations for tangible capital assets	86,201	70,132
Reduction of assets and others	11,681	9,650
	459,547	444,061
Current year appropriations used	2,605,650	2,530,779

Table 15: Financial Statements of Departments and Agencies (cont'd)

Public Works and Government Services Canada

Notes to the Consolidated Financial Statements *(Unaudited)*

For the year ended March 31

3. Parliamentary appropriations *(continued)*

(b) Appropriations provided and used

(in thousands of dollars)	2007	2006
Vote 1 - Operating expenditures	2,365,357	2,262,720
Vote 5 - Capital expenditures	297,954	327,924
Vote 10 - Grants and contributions	45,402	10,085
Statutory items:		
Revolving funds	378,543	408,745
Other	110,090	115,648
Appropriations provided	3,197,346	3,125,122
Less:		
Appropriations available for future years	(381,751)	(415,553)
Lapsed appropriations	(212,152)	(181,411)
Current year budgetary appropriations used	2,603,443	2,528,158
Seized Property Management Act	2,207	2,621
Current year appropriations used	2,605,650	2,530,779

(c) Reconciliation of net cash provided by Government to current year appropriations used

(in thousands of dollars)	2007	2006
Net cash provided by Government	2,605,313	2,389,295
Revenue not available for spending	57,160	81,701
Change in net position in the Consolidated Revenue Fund		
Change in financial assets	(82,251)	13,852
Change in prepaid expenses	(1,301)	(323)
Change in liabilities other than lease obligation for tangible capital assets	68,166	(33,110)
Other adjustments	(41,437)	79,364
	(56,823)	59,783
Current year appropriations used	2,605,650	2,530,779

Table 15: Financial Statements of Departments and Agencies (cont'd)

Public Works and Government Services Canada

Notes to the Consolidated Financial Statements *(Unaudited)*

For the year ended March 31

4. Expenses

The following table presents details of expenses by category:

(in thousands of dollars)	2007	2006 *Restated (Note 18)*
Payment in lieu of taxes to municipalities and other taxing authorities	468,132	465,574
Recovery of Payment in lieu of taxes to municipalities and other taxing authorities	(468,073)	(466,001)
Other grants and contributions	45,385	9,073
Total grants and contributions	45,444	8,646
Salaries and employee benefits	1,133,685	1,103,697
Cost of goods sold for inventories	1,080,155	1,002,563
Rentals	695,700	678,750
Professional and special services	435,380	458,628
Repair and maintenance	413,151	361,572
Amortization of tangible capital assets	370,989	355,829
Other expenses	253,989	186,265
Interest on capital lease payments and other	99,665	94,935
Utilities, material and supplies	96,942	100,779
Transportation and communications	78,522	75,380
Reclassification of assets under construction	73,786	56,624
Expenses from Seized Property Proceeds Accounts *(Note 15)*	26,382	9,226
Legal services	5,309	3,247
Total operating expenses	4,763,655	4,487,495
Total expenses	4,809,099	4,496,141

Table 15: Financial Statements of Departments and Agencies (cont'd)

Public Works and Government Services Canada

Notes to the Consolidated Financial Statements *(Unaudited)*

For the year ended March 31

5. Revenues

The following table presents details of revenues by category:

(in thousands of dollars)	2007	2006
Sales of goods and information products	818,287	740,318
Services of a non-regulatory nature	801,089	774,391
Rentals	390,111	367,989
Services of a regulatory nature	80,647	74,126
Other revenues	46,601	32,816
Revenue from Seized Property Proceeds Account *(Note 15)*	22,007	26,475
Other fees and charges	528	10,705
Adjustments to tangible capital assets	-	46,860
Total revenues	2,159,270	2,073,680

Services of a non-regulatory nature are mainly comprised of translation services, consulting services, telecommunications services, traffic management and central freight, classroom rentals and educational services, IT design engineering, project fees and payroll recoveries.

Services of a regulatory nature are mainly comprised of cost recovery from the *Public Service Superannuation Act* (PSSA) for administrative services provided and payment services for Receiver General functions.

6. Accounts receivable and advances

The following table presents details of accounts receivable and advances:

(in thousands of dollars)	2007	2006
Accounts receivable from other government departments and agencies	324,506	251,636
Accounts receivable from external parties	83,184	76,362
Employee advances	617	572
	408,307	328,570
Less: Allowance for doubtful accounts on external receivables	(652)	(643)
Total	407,655	327,927

Table 15: Financial Statements of Departments and Agencies (cont'd)

Public Works and Government Services Canada

Notes to the Consolidated Financial Statements *(Unaudited)*

For the year ended March 31

7. Tangible capital assets

(in thousands of dollars)	Cost			
	Opening balance	Acquisitions	Disposals, write-offs and other adjustments	Closing balance
Tangible capital assets				
Land	265,004	-	(273)	264,731
Buildings	3,351,303	-	88,769	3,440,072
Works and infrastructure	842,312	-	(2,471)	839,841
Machinery and equipment	10,081	431	(4,556)	5,956
Informatics hardware and software	190,009	7,479	(7,241)	190,247
Vehicles	9,742	1,131	(1,268)	9,605
Leasehold improvements	295,541	48	47,061	342,650
Assets under construction	826,462	352,576	(222,803)	956,235
	5,790,454	361,665	(102,782)	6,049,337
Leased tangible capital assets				
Land	48,216	-	(3,274)	44,942
Buildings	1,264,595	268,521	97,786	1,630,902
Informatics equipment	10,666	4,289	(1,862)	13,093
	1,323,477	272,810	92,650	1,688,937
	7,113,931	634,475	(10,132)	7,738,274

Table 15: Financial Statements of Departments and Agencies (cont'd)

Public Works and Government Services Canada

Notes to the Consolidated Financial Statements *(Unaudited)*

For the year ended March 31

7. Tangible capital assets *(continued)*

	Accumulated amortization				Net Book Value	
(in thousands of dollars)	Opening balance	Amortization	Disposals, write-offs and other adjustments	Closing balance	2007	2006
Tangible capital assets						
Land	-	-	-	-	264,731	265,004
Buildings	1,966,567	163,030	(3,164)	2,126,433	1,313,639	1,384,736
Works and infrastructure	304,228	23,322	(2,046)	325,504	514,337	538,084
Machinery and equipment	7,645	444	(4,574)	3,515	2,441	2,436
Informatics hardware and software	127,150	24,191	(10,622)	140,719	49,528	62,859
Vehicles	5,211	910	(1,130)	4,991	4,614	4,531
Leasehold improvements	110,118	52,202	366	162,686	179,964	185,423
Assets under construction	-	-	-	-	956,235	826,462
	2,520,919	264,099	(21,170)	2,763,848	3,285,489	3,269,535
Leased tangible capital assets						
Land	-	-	-	-	44,942	48,216
Buildings	515,923	104,584	3,906	624,413	1,006,489	748,672
Informatics equipment	4,540	2,306	(1,582)	5,264	7,829	6,126
	520,463	106,890	2,324	629,677	1,059,260	803,014
	3,041,382	370,989	(18,846)	3,393,525	4,344,749	4,072,549

Amortization expense for the year ended March 31, 2007 is $370,989,086 (2005-2006 - $355,829,237).

Table 15: Financial Statements of Departments and Agencies (cont'd)

Public Works and Government Services Canada

Notes to the Consolidated Financial Statements *(Unaudited)*

For the year ended March 31

8. Accounts payable and accrued liabilities

The following table presents details of accounts payable and accrued liabilities:

(in thousands of dollars)	2007	2006
Accounts payable and accrued liabilities	505,752	499,148
Accrued salaries and wages	38,033	34,510
Contractors' holdbacks and others	39,515	32,545
Accounts payable to other government departments and agencies	36,504	29,204
	619,804	595,407

9. Other liabilities

The following table presents details of other liabilities:

(in thousands of dollars)	2006	Receipts and credits	Payments and charges	2007
Seized property - cash	66,335	12,877	(5,567)	73,645
Deposits on disposals	437	5,851	(6,026)	262
Contractors' security deposits	5,398	4,046	(4,044)	5,400
Francophone summits	11	21	(2)	30
Credit card special project fund	1,000	-	-	1,000
	73,181	22,795	(15,639)	80,337

Seized property - cash

This account was established pursuant to the *Seized Property Management Act,* to record seized cash and proceeds from the interlocutory sale of seized assets. These funds will be deposited to the Consolidated Revenue Fund and credited to the account until returned to the owner or forfeited.

Deposits on disposals

This account was established in accordance with the terms and conditions of the Real Property Disposition Revolving Fund to record receipts on future disposals of properties that are not closed at the end of the year.

Table 15: Financial Statements of Departments and Agencies (cont'd)

Public Works and Government Services Canada

Notes to the Consolidated Financial Statements *(Unaudited)*

For the year ended March 31

9. Other liabilities *(continued)*

Contractors' security deposits

This account was established to record contractors' securities that are required for the satisfactory performance of work in accordance with the Government Contracts Regulations.

Francophone summits

This account was established to record funding granted since 1994 by the Agence intergouvernementale de la Francophonie (Paris), which changed its name in 2006 to the Organisation internationale de la Francophonie, for projects involving the development of French and partner languages in order to express scientific and technical modernity.

Credit card - special project fund

This account was established to record funds received from American Express (AMEX) to improve the Travel Card Program.

10. Lease obligation for tangible capital assets

PWGSC has entered into agreements to rent buildings, land and information technology equipment under capital leases with a cost of $1,688,937,677 and accumulated amortization of $629,677,336 as at March 31, 2007 ($1,323,476,065 and $520,462,742 respectively as at March 31, 2006) (Note 7). The obligations for the upcoming years include the following:

(in thousands of dollars)	2007	2006
2007	-	170,453
2008	201,698	173,674
2009	189,135	161,262
2010	184,252	156,247
2011	193,470	165,286
2012 and thereafter	1,153,567	772,032
Total future minimum lease payments	1,922,122	1,598,954
Less: Imputed interest (weighted average implicit rate 8.196% (9.7% in 2006))	(663,156)	(608,670)
Balance of obligation under leased tangible capital assets	1,258,966	990,284

Table 15: Financial Statements of Departments and Agencies (cont'd)

Public Works and Government Services Canada

Notes to the Consolidated Financial Statements *(Unaudited)*

For the year ended March 31

11. Employee benefits

(a) Pension benefits

PWGSC employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Quebec Pension Plan benefits and they are indexed to inflation.

Both the employees and the department contribute to the cost of the Plan. The 2006-2007 expense amounts to $109,043,987 ($116,940,943 in 2005-2006), which represents approximately 2.2 times (2.6 in 2006) the contributions by employees.

PWGSC's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the consolidated financial statements of the Government of Canada, as the Plan's sponsor.

(b) Severance benefits

The department provides severance benefits to its employees based on eligibility, years of service and final salary. These severance benefits are not pre-funded. Benefits will be paid from future appropriations and revolving funds. Information about the severance benefits, measured as at March 31 is as follows:

(in thousands of dollars)	2007	2006
Accrued benefit obligation, beginning of year	181,235	171,726
Transfer of activities *(Note 16)*	(942)	-
Expense for the year	60,815	27,884
Benefits paid during the year	(20,369)	(18,375)
Accrued benefit obligation, end of year	220,739	181,235

Table 15: Financial Statements of Departments and Agencies (cont'd)

Public Works and Government Services Canada

Notes to the Consolidated Financial Statements *(Unaudited)*

For the year ended March 31

12. Contingent liabilities

(a) Environmental liabilities - Contaminated sites

Liabilities are accrued to record the estimated costs related to the management and remediation of contaminated sites where PWGSC is obligated or likely to be obligated to incur such costs. The department has identified approximately 209 sites (236 sites in 2006) where such action is possible and for which a liability of $320,154,947 ($318,598,675 in 2006) has been recorded. Out of this amount, an amount of $280,817,000 ($272,202,263 in 2006) is related to environmental remediation activity for the Sydney Tar Ponds and Coke Ovens remediation project. PWGSC has estimated additional clean-up costs of $141,215,487 ($137,754,266 in 2006) that are not accrued, as these are not considered likely to be incurred at this time. PWGSC's ongoing efforts to assess contaminated sites may result in additional environmental liabilities related to newly identified sites, or changes in the assessments or intended use of existing sites. These liabilities will be accrued by PWGSC in the year in which they become known.

(b) Claims and litigation

Claims have been made against PWGSC in the normal course of operations. Legal proceedings for claims totalling approximately $342,989,424 ($781,707,503 in 2006) were still pending at March 31, 2007. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded in the consolidated financial statements.

13. Contractual obligations

The nature of PWGSC's activities can result in some large multi-year contracts and obligations whereby the department will be obligated to make future payments when the services/goods are received. Significant contractual obligations ($10 million or more) that can be reasonably estimated are summarized as follows:

(in thousands of dollars)	2008	2009	2010	2011	2012 and thereafter	Total
Capital assets	30,000	9,000	1,000	-	-	40,000
Operating leases	165,000	147,000	141,000	124,000	310,000	887,000
Purchases	517,000	725,000	1,000	-	-	1,243,000
	712,000	881,000	143,000	124,000	310,000	2,170,000

Table 15: Financial Statements of Departments and Agencies (cont'd)

Public Works and Government Services Canada

Notes to the Consolidated Financial Statements *(Unaudited)*

For the year ended March 31

14. Related party transactions

PWGSC is related as a result of common ownership to all Government of Canada departments, agencies and Crown corporations. PWGSC enters into transactions with these entities in the normal course of business and on normal trade terms. Also, during the year PWGSC received services without charge from other departments. These services without charge have been recognized in PWGSC's Consolidated Statement of Operations as follows:

(in thousands of dollars)	2007	2006 *Restated (Note 18)*
Employer's contribution to the health and dental insurance plans (excluding revolving funds) paid by Treasury Board Secretariat	52,330	47,432
Legal services provided by Justice Canada	5,309	3,247
Workers' compensation coverage provided by Human Resources and Social Development Canada	2,649	2,939
	60,288	53,618

PWGSC has provided accommodation without charge to other government departments throughout the fiscal year for a total amount of $1,280,989,672 ($1,233,534,500 in 2006). These are not included in the Consolidated Statement of Operations.

Table 15: Financial Statements of Departments and Agencies (cont'd)

Public Works and Government Services Canada

Notes to the Consolidated Financial Statements *(Unaudited)*

For the year ended March 31

15. Seized Property Proceeds Account

This account was established pursuant to section 13 of the *Seized Property Management Act*. The net proceeds received from the disposition of seized and forfeited properties to Her Majesty or fines imposed and also monies received from the government of foreign states pursuant to agreements for the purpose of the *Act* are to be earmarked for specified purposes. Under the *Act*, expenses to be charged against the revenues include: operating expenses incurred in carrying out the purpose of the *Act*, amounts paid as a result of claims and repayments of advances from the Minister of Finance, interest on drawdown from Seized Property Working Capital Account and distribution of the proceeds to other government departments and the Consolidated Revenue Fund.

(in thousands of dollars)	2007	2006
Seized Property Proceeds Account - restricted		
Balance, beginning of year	32,845	15,596
Revenues	22,007	26,475
Expenses	(26,382)	(9,226)
	(4,375)	17,249
Balance, end of year	28,470	32,845
Unrestricted Equity of Canada, end of year	2,180,424	2,157,145
Total Equity of Canada, end of year	2,208,894	2,189,990

Table 15: Financial Statements of Departments and Agencies (cont'd)

Public Works and Government Services Canada

Notes to the Consolidated Financial Statements *(Unaudited)*

For the year ended March 31

16. Transfer of activities

On September 12, 2005 the Prime Minister announced a significant reorganization of government. Effective April 1, 2006 PWGSC transferred the Public Access Programs Sector to Service Canada. The prior year's figures have not been restated to reflect this transfer. The impact on the 2007 Consolidated Statement of Financial Position is as follows:

(in thousands of dollars)	2007
Assets	
Financial assets	
Accounts receivable and advances	901
Non-financial assets	
Tangible capital assets	317
	1,218
Liabilities and equity	
Liabilities	
Accounts payable and accrued liabilities	3,174
Vacation pay and compensatory leave	234
Employee severance benefits	942
	4,350
Equity of Canada	(3,132)
	1,218

The budget for the Public Access Programs Sector will only be transferred to Service Canada in fiscal year 2007-2008, therefore revenues and expenses for this Sector are included in the PWGSC consolidated statement of operations for 2006-2007.

17. Subsequent event

On August 20, 2007, the Government of Canada announced that it has entered into an agreement for the sale of nine office buildings and their subsequent lease-back for a period of twenty-five years. The office complexes and land that are located in six major cities across Canada will be sold for an amount approximating $1,600 million. The impact of this agreement, once finalized, will be reflected in the 2007-2008 financial statements.

Table 15: Financial Statements of Departments and Agencies (cont'd)

Public Works and Government Services Canada

Notes to the Consolidated Financial Statements *(Unaudited)*

For the year ended March 31

18. Restatement of comparative information

In 2006-2007, PWGSC reviewed the amount presented as services received without charge from other government departments for 2005-2006. Consequently, the comparative consolidated financial statements presented for the year ended March 31, 2006 have been restated. The effect of this adjustment is presented in the table below.

(in thousands of dollars)	As previously stated	Effect of the adjustment	Revised amount
Consolidated Statement of Operations			
Expenses			
Real Property	2,971,771	121	2,971,892
Information Technology	491,182	7,760	498,942
Acquisitions	349,241	1,902	351,143
Receiver General and Public Service Compensation	243,061	2,824	245,885
Translation Bureau	188,082	1,207	189,289
Business Integration	69,847	333	70,180
Government Information and Consulting	76,262	951	77,213
Consulting and Audit Canada	91,597	-	91,597
Total expenses	4,481,043	15,098	4,496,141
Net cost of operations	2,407,363	15,098	2,422,461
Consolidated Statement of Equity of Canada			
Net cost of operations	(2,407,363)	(15,098)	(2,422,461)
Services received without charge from other government departments	38,520	15,098	53,618
Consolidated Statement of Cash Flow			
Net cost of operations	2,407,363	15,098	2,422,461
Services received without charge from other government departments	38,520	15,098	53,618

Table 15: Financial Statements of Departments and Agencies (cont'd)

Public Works and Government Services Canada

Notes to the Consolidated Financial Statements *(Unaudited)*

For the year ended March 31

18. Restatement of comparative information *(continued)*

(in thousands of dollars)	As previously stated	Effect of the adjustment	Revised amount
Note 3(a) Reconciliation of net cost of operations to current year appropriations used			
Net cost of operations	2,407,363	15,098	2,422,461
Services received without charge from other government departments	(38,520)	(15,098)	(53,618)
Note 4 Expenses			
Salaries and employee benefits	1,087,323	16,374	1,103,697
Legal services	4,523	(1,276)	3,247
Total operating expenses	4,472,397	15,098	4,487,495
Total expenses	4,481,043	15,098	4,496,141
Note 14 Related party transactions			
Employer's contribution to the health and dental insurance plans (excluding revolving funds) paid by Treasury Board Secretariat	31,628	15,804	47,432
Legal services provided by Justice Canada	4,523	(1,276)	3,247
Workers' compensation coverage provided by Human Resources and Social Development Canada	2,369	570	2,939
	38,520	15,098	53,618

19. Comparative information

Comparative figures have been reclassified to conform to the current year's presentation.

Table 16: Responses to Parliamentary Committees and Audits and Evaluations for 2006-2007

Responses to Parliamentary Committees
Government Response to the Eighth Report of the Standing Committee on Public Accounts Entitled "Chapter 7, Acquisition of Leased Office Space of the May 2006 Report of the Auditor General of Canada" Further information may be found on the website located at: http://cmte.parl.gc.ca/cmte/CommitteePublication.aspx?COM=10466&Lang=1&SourceId=173138.

Responses to the Auditor General of Canada and the Commissioner of the Environment and Sustainable Development (CESD)	
Auditor General 2006 May Report	**Chapter 1 - Managing Government: Financial Information** The objective was to assess the extent to which departments and agencies have addressed the key internal financial control weaknesses we identified in the 2001, 2002, and 2003 control assessments. The assessments were conducted as part of the audit of the federal government's summary financial statements. The objective of that audit was to report on the fairness of the presentation of the summary financial statements.
Recommendation	No recommendation
Auditor General 2006 May Report	**Chapter 3 - NATO Flying and Training Canada** The objective was to determine how well National Defence has progressed in its management of the NATO Flying Training in Canada program since the 2002 audit. The audit examined whether the department was getting back what is owed to the Crown and if the pilot training program is meeting requirements.
Recommendation	3.18 PWGSC and National Defence should begin action to ensure that compensation is received in a timely manner.
Departmental Response	http://www.oag-bvg.gc.ca/domino/reports.nsf/html/20060503ce.html
Auditor General 2006 May Report	**Chapter 4 - Canadian Firearms Program** The objective was to assess the progress the Centre has made in addressing our 2002 recommendation aimed at the Department of Justice and in managing the Canadian Firearms Program.
Recommendation	4.88 PWGSC should review how client departments use the contracting tools it has developed. It should be able to provide assurance that its tools are not being used to circumvent contracting policies and regulations.
Departmental Response	http://www.oag-bvg.gc.ca/domino/reports.nsf/html/20060504ce.html
Auditor General 2006 May Report	**Chapter 7 - Acquisition of Leased Office Space** The objectives were to assess the progress PWGSC has made in responding to the observations and recommendations in the December 2002 Report, Chapter 8, and to assess whether the department has adequately incorporated principles of risk management into its strategic planning for acquiring leased office space.
Recommendations	7.20 In its Departmental Performance Report, PWGSC should include progress against projected savings and the cost of those instances where the most cost-effective accommodation option was either not accepted or not enforced. 7.28 The Treasury Board Secretariat and PWGSC should ensure that funding methods support the selection of the most cost-effective option that meets the long-term accommodation requirements. 7.37 PWGSC should continue to improve the availability, accessibility, and reliability of information to support sound decision-making for real property investments. 7.53 PWGSC should continue its efforts to develop guidance and to implement continuous risk management as part of the process for acquiring office accommodation, and provide staff with the necessary training in risk management.
Departmental Response	http://www.oag-bvg.gc.ca/domino/reports.nsf/html/20060507ce.html

Auditor General 2006 May Report	**Chapter 9 - Government Decisions Limited Parliament's Control of Public Spending** The objective was to assess the government's management of the decision not to seek Supplementary Estimates for the Canada Firearms Centre in 2003–2004 and the accounting treatment it used for the related transactions.
Recommendation	No recommendation
CESD 2006 September Report	**Chapter 4 - Sustainable Development Strategies** The objective was to assess the actions of 21 departments and agencies in implementing 39 commitments in their sustainable development strategies.
Recommendation	No recommendation
CESD 2006 September Report	**Chapter 5 - Environmental Petitions** The objective of this chapter is to inform Parliament and Canadians on the use of the petitions process and monitoring of commitments and statements made in response to petitions.
Recommendation	5.54 Natural Resources Canada, Environment Canada, and PWGSC, in consultation with the Treasury Board Secretariat, should establish an appropriate management structure (for example, identification of a lead department) to manage the Purchase of Electricity from Renewable Resources program. The appropriate management structure should review program objectives and priorities for the purchase of green power within the context of broader initiatives such as the Green Procurement Policy, the national renewable energy strategy currently under discussion, and the Federal House in Order commitment to reduce greenhouse gas emissions in federal operations; set appropriate targets and timelines; secure funding for an appropriate period of time to enable suppliers to finance the development of new green power facilities; and report on progress annually to Parliament and to the public.
Departmental Response	http://www.oag-bvg.gc.ca/domino/reports.nsf/html/c20060905ce.html
Auditor General 2006 November Report	**Chapter 2 - Expenditure Management System in Departments** The general objective was to determine whether departments have effective procedures to ensure that spending complies with direction from the government centre and meets program funding requirements.
Recommendation	No recommendation
Auditor General 2006 November Report	**Chapter 3 - Large Information Technology Projects** The objectives were to determine: whether the process for reviewing and approving projects was sufficiently rigorous; whether the business cases and the project charters for the projects that were examined had clearly identified the expected results, and how they would contribute to meeting the business needs of the government and the sponsoring department; and whether the projects were managed effectively.
Recommendations	3.61 Government departments and agencies should improve their internal quality reviews of IT projects. Senior departmental executives should review the key decision documents that are produced to support the IT project and ensure that the analysis is thorough and supportable before signing off on the submission. 3.89 Before seeking effective project approval, departments and agencies should prepare a business case that includes, at a minimum, precise and measurable objectives; a full analysis of options, benefits, costs, and risks; and an implementation plan. 3.90 The Treasury Board Secretariat should improve the requirements for sound business cases prepared by departments and agencies to ensure that they include, at a minimum, precise and measurable objectives; a full analysis of options, benefits, costs, and risks; and an implementation plan. 3.98 At the start of a project, departments and agencies should clearly demonstrate that their organization is ready to accept the business transformation that comes with the project and has the capability and commitment to successfully deliver the project.

	Specifically, departments and agencies should analyze their track record in completing projects of similar size and complexity; completing skills appraisals and plans to address shortfalls; planning for business preparation, transition, and operational phases; and considering key stakeholder buy-in and commitment.
Departmental Response	http://www.oag-bvg.gc.ca/domino/reports.nsf/html/20061103ce.html
Auditor General 2006 November Report	**Chapter 4 - Proper Conduct of Public Business – Public Safety and Emergency Preparedness Agencies** The objectives were to determine: the adequacy of the design and operation of programs supporting ethical conduct and awareness of ethical problems in areas that have an impact on resource management; the adequacy of the design and operation of processes in place to respond to internal disclosures made by employees within an organization; whether internal audit adequately supports compliance; and whether controls on contracting, acquisition cards, and overtime and leave are adequate.
Recommendation	No recommendation
Auditor General 2006 November Report	**Chapter 5 - Relocating Members of the Canadian Forces, RCMP, and Federal Public Service** The objectives were to determine whether: the contracts for the Integrated Relocation Program were awarded according to the Treasury Board Contracting Policy, government contracting regulations, and the PWGSC Supply Manual; whether the contracts were managed and administered according to the terms and conditions of government and departmental relocation policies; and whether the Treasury Board Secretariat and the departments involved established performance measures to demonstrate and report that objectives of the program are being met.
Recommendations	5.40 For significant and high-risk proposals, PWGSC should ensure that more than one person evaluates the financial component of bids. 5.48 When recommending a contract award for significant and high-risk proposals, PWGSC contract officers should ensure that briefing material prepared for senior management contains sufficient detail to allow appropriate management oversight and review. 5.99 PWGSC should ensure that all ceiling rates are in accordance with the terms and conditions of the contract.
Departmental Response	http://www.oag-bvg.gc.ca/domino/reports.nsf/html/20061105ce.html
Auditor General 2006 November Report	**Chapter 9 - Pension and Insurance Administration – Royal Canadian Mounted Police** The objectives were to determine whether the Royal Canadian Mounted Police (RCMP) has responded adequately to all significant deficiencies that the Ottawa Police Service (OPS) found during its investigation of the RCMP pension and insurance plans; and whether breakdowns in controls resulted in excess costs, poor value-for-money, or misuse of funds. During the audit, another objective was added: to determine whether the agreement between the RCMP and the OPS was structured to avoid undue RCMP direction or bias.
Recommendation	No recommendation
Auditor General 2006 November Report	**Chapter 10 - Award and Management of a Health Benefits Contract – PWGSC and Health Canada** The objective was to determine whether PWGSC awarded the contract to First Canadian Health Management Corporation Inc. (FCH) in accordance with the Treasury Board Contracting Policy, and whether Health Canada complied with relevant authorities and exercised adequate control over public funds spent.
Recommendation	No recommendation

Auditor General 2007 February Report	**Chapter 1 - Advertising and Public Opinion Research** The objectives were to determine: the extent to which the government had taken corrective action in response to our past recommendations; whether the government had implemented adequate control over the spending of public money on advertising and public opinion research activities, and was complying with relevant authorities; and whether the results of the activities had been measured and reported in accordance with the requirements of the *Communications Policy of the Government of Canada.*
Recommendation	No recommendation
Auditor General 2007 February Report	**Chapter 2 - The Conservation of Federal Built Heritage** The objective was to determine the measures that the federal government had put in place to improve the protection of built heritage in order to follow up on the recommendations concerning built heritage made in Chapter 6 of the November 2003 report, Protection of Cultural Heritage in the Federal Government. The audit also sought to determine the specific protection interventions the federal government had carried out to maintain or restore heritage status, based on a sample of national historic sites and federal heritage buildings.
Recommendations	2.35 The government should strengthen its conservation regime for built heritage by establishing overall objectives for conservation of built heritage, setting priorities for conservation and monitoring organizations activities, covering all elements of built heritage of custodian departments, combining the functions of designation and conservation, and reporting to Parliament on the results of conservation activities. 2.36 Federal departments and agencies should set conservation objectives for built heritage for themselves, and should let Parliament know that performance information is accessible.
Departmental Response	http://www.oag-bvg.gc.ca/domino/reports.nsf/html/20070202ce.html

Internal Audit Projects	Status
Audit of the Administrative Cost related to the Public Service Superannuation Account	Completed (carry forward from previous year)
Audit of the Management of the Government of Canada's Pension Modernization – Phase II	Completed (carry forward from previous year)
Follow-up to Health Canada's Management Letter on First Canadian Health Service Contract	Completed (carry forward from previous year)
Directed Audit of the Validation of the Proposal Values for the NATO Flying Training in Canada Settlement	Completed (carry forward from previous year)
Audit of PWGSC Compliance to DP078 - Workplace Emergency Evacuation Plans	Completed (carry forward from previous year)
Follow-up to the Audit Survey of Overtime Pay within PWGSC	Completed (carry forward from previous year)
Financial Report of Administrative Costs Chargeable to the Canada Pension Plan Account	Completed (carry forward from previous year)
Audit of PWGSC's Implementation of Changes to the Management of Government Advertising	Completed (carry forward from previous year)
Audit of the Management Control of the Project Business and Management System (PBMS)	Completed (carry forward from previous year)
Audit of IM/IT Funding within PWGSC with a Focus on Infrastructure Sustainability	Completed (carry forward from previous year)
Internal Audit of Release 3.0 of the Shared Travel Services Initiative (STSI) / Travel AcXess Voyage Solution	Completed (carry forward from previous year)
Annual Attest Audits of the Financial Statements of Revolving Funds for the Fiscal Year Ended March 31, 2006: • Translation Bureau Revolving Fund • Real Property Disposition Revolving Fund	Completed in 2006-2007

• Consulting and Audit Canada Revolving Fund • Telecommunications Services Revolving Fund • Optional Services Revolving Fund • Real Property Services Revolving Fund	
Audit of the Quality Management of the Government of Canada Pension Modernization Project	Completed (planned 2006-2007 audit)
Audit of Contract Related to Business Transformation Initiative	Completed (requested 2006-2007 audit)
Audit of Information Technology (IT) Security	Carried forward to 2007-2008
Audit of Cost Recovery and Determination of Fees	Carried forward to 2007-2008
Audit of Revenue from Commercial and Retail Letting	Carried forward to 2007-2008
Audit of the Management Practices Related to PWGSC Bridges	Carried forward to 2007-2008
Evaluation Projects	**Status**
Evaluation Framework for PWGSC's Surplus Federal Real Property for Homelessness Initiative	Completed (carry forward from previous year)
Evaluation of PWGSC's Surplus Federal Real Property for Homelessness Initiative	Completed (carry forward from previous year)
Evaluation Follow-up - The Institute	Completed (carry forward from previous year)
Evaluation Framework for PWGSC's Shared Travel Services Initiative	Completed (carry forward from previous year)
Evaluation for PWGSC's Shared Travel Services Initiative	Completed (carry forward from previous year)
Evaluation Framework for the Interim Cost-Share Agreement for the Sydney Tar Ponds and Coke Ovens Sites Remediation Project	Completed (planned 2006-2007 evaluation)
Evaluation of the Interim Cost-Share Agreement for the Sydney Tar Ponds and Coke Ovens Sites Remediation Project	Completed (planned 2006-2007 evaluation)
Summative Evaluation of the Government of Canada Exhibitions Program	Completed (planned 2006-2007 evaluation)
Evaluation Framework of the Green Procurement Policy	Carried forward to 2007-2008

More information on these audits and evaluations may be found on the PWGSC website at:
http://www.pwgsc.gc.ca/aeb/text/toc-e.html

Table 17: Sustainable Development

Points to Address	Departmental Input
What are the key goals, objectives, and/or long-term targets of the Sustainable Development Strategy (SDS)?	The PWGSC Sustainable Development Strategy (SDS) 2003 was tabled in Parliament in February 2004. SDS 2003 contained departmental commitments relating to four goals: • Greening PWGSC's operations as a custodian and provider of facilities and common-use office space to federal departments; • Greening PWGSC's services to federal departments and agencies; • Greening PWGSC's internal operations; and • Providing national and international leadership in the greening of government operations. More information on SDS 2003 is available at http://www.pwgsc.gc.ca/sd-env/sds2003/strategy/toc-e.html.
How do your key goals, objectives and/or long-term targets help achieve your department's strategic outcomes?	Overall, experience gained throughout the previous SDSs has led to smarter target development, improved management processes and enhanced results monitoring systems. PWGSC is well positioned to build on its successes with the implementation of its Sustainable Development Strategy 2003 and the continuation of the more comprehensive, streamlined and transparent approach taken in its SDS 2007-2009. More information on SDS 2007-2009 may be found at: http://www.pwgsc.gc.ca/sd-env/sds2007/strategy/sdd-sds2007-tc-e.html.
What were your targets for the reporting period?	For a list of the Targets and Objectives in the PWGSC SDS 2003, please see http://www.pwgsc.gc.ca/sd-env/sds2003/strategy/toc-e.html.
What is your progress to date?	For the reporting period, PWGSC continued to make progress on its four overarching goals and respective objectives. Detailed progress is provided in the PWGSC *Sustainable Development Performance Report.* This report is available on the internet at: http://www.pwgsc.gc.ca/sd-env/text/performance-report-e.html.
What adjustments have you made, if any?	Fiscal year 2006-2007 was the last year of implementation for SDS 2003. The transition to the department's new SDS 2007-2009 is described in the *Sustainable Development Performance Report 2006-2007* available at the following link: http://www.pwgsc.gc.ca/sd-env/text/performance-report-e.html. Furthermore, for SDS 2007-2009, PWGSC is integrating SDS planning and reporting in the corporate dashboard as a part of overall business planning processes. The SDS is to be included in 2007-2008 mid-year review and year-end review processes.

Table 18: Procurement and Contracting

As of 2006-2007, Table 18: Procurement and Contracting will no longer be included in the print copy of the DPR. An electronic version can be found at: http://www.tpsgc-pwgsc.gc.ca/reports/text/dpr_2006-2007/am-pc-e.html.

Table 19: Client-Centred Service

As of 2006-2007, Table 19: Client-Centred Service (formerly "Service Improvement") will no longer be included in the print copy of the DPR. An electronic version can be found at: http://www.tpsgc-pwgsc.gc.ca/reports/text/dpr_2006-2007/scc-ccs-e.html.

Table 20: Horizontal Initiatives

a. Government of Canada Marketplace

The Government of Canada Marketplace (GoCM) is an online tool that provides Government of Canada (GC) employees with access to an electronic catalogue of pre-approved goods and services available through Standing Offers (SOs) and Supply Arrangements (SAs). The current scope of GoCM allows users to search for standing offers and supply arrangements; browse, search and compare goods and services that are available in online catalogues; select goods and services from online catalogues to add to a "shopping cart;" save "shopping cart(s)" for re-use; create and print orders; and run detailed reports on what was selected for order, by whom, for whom and at what price.

These anticipated and quantifiable benefits are derived from the contribution of electronic tools to facilitate compliance with mandatory procurement instruments, achieve efficiencies due to automated business processes and facilitate lower prices through accurate and timely purchasing information needed to leverage the buying power across government spending.

Further information on this subject may be found on the PWGSC website at:
http://www.tpsgc-pwgsc.gc.ca/reports/text/dpr_2006-2007/ih-hi-e.html

b. Shared Travel Services Initiative

The Shared Travel Services Initiative (STSI) is a Government of Canada initiative, jointly led by Public Works and Government Services Canada (PWGSC) and the Treasury Board Secretariat (TBS). STSI is delivering value to the Government of Canada and savings to Canadian taxpayers. Its objective is to improve services to employees; increase direct savings on government-wide travel; reduce and streamline administrative costs and processes; improve management of information for negotiations and informed decision-making; and provide high-quality travel services within an integrated, "end-to-end" travel management system that enables departments and agencies to realize savings.

STSI has successfully developed and deployed the following services:

- Travel Call Centre
- Travel Portal
- Designated Travel Card (DTC)
- Online Booking Tool (OBT)
- Expense Management Tool (EMT)

- Accommodations and Car Rental Directory
- Negotiated airline agreements

Further information on this subject may be found on the PWGSC website at:
http://www.tpsgc-pwgsc.gc.ca/reports/text/dpr_2006-2007/ih-hi-e.html

c. Sydney Tar Ponds and Coke Ovens Clean-up Project

In July 2006, the Governments of Canada and Nova Scotia received a report of an independent review panel's environmental assessment of the project and in January 2007 jointly released their formal response in support of the report recommendations along with key decisions on proceeding with the full remediation. These decisions followed a successful period of collaboration in planning as well as implementation of preliminary construction work in advance of the main project, which will begin in the 2007 construction season. The chosen approach involves solidifying and stabilizing the contaminated soils before the sites are contained and capped, followed by site development and long-term monitoring and maintenance.

Further information on this subject may be found on the PWGSC website at:
http://www.tpsgc-pwgsc.gc.ca/reports/text/dpr_2006-2007/ih-hi-e.html

Table 21: Travel Policies

PWGSC complies with the Treasury Board of Canada Secretariat *Special Travel Authorities* and the *Travel Directive* on Rates and Allowances.

Table 22: Storage Tanks

As of 2006-2007, Table 22: Storage Tanks will no longer be included in the print copy of the DPR. An electronic version can be found at: http://www.tpsgc-pwgsc.gc.ca/reports/text/dpr_2006-2007/rs-st-e.html.

OTHER ITEMS OF INTEREST

Contacts:

Johanne Bélisle
Assistant Deputy Minister
Corporate Services, Policy and Communications Branch
819-956-4056

Mike Hawkes
Chief Financial Officer
Finance Branch
819-956-7226

Related Internet Sites:

Guide to the Preparation of Part III of the 2006-2007 Estimates – Reports on Plans and Priorities and Departmental Performance Reports: http://www.tbs-sct.gc.ca/rma/dpr3/06-07/guide/guide_e.asp
Canada's Performance 2007: http://www.tbs-sct.gc.ca/
Federal Accountability Act: http://www.faa-lfi.gc.ca/faa-lfi/faa-lfi00_e.asp
Federal Accountability Action Plan: http://www.faa-lfi.gc.ca/docs/ap-pa/ap-pa00_e.asp
Economic and Fiscal Update 2006: http://www.fin.gc.ca/budtoce/2006/ec06_e.html
Budget 2007: http://www.budget.gc.ca/2007/index_e.html
Status Report on Major Crown Projects: http://www.tpsgc-pwgsc.gc.ca/reports/text/dpr_2006-2007/rpe-cpt-e.html
Real Property Services: http://www.pwgsc.gc.ca/realproperty/text/index-e.html
Real Estate Study: http://www.pwgsc.gc.ca/text/buildings/index-e.html
Office of the Chief Risk Officer: http://www.pwgsc.gc.ca/text/factsheets/ocro-e.html
Long Term Vision and Plan (LTVP): http://www.parliamenthill.gc.ca/text/visionandplan_e.html
Acquisition Services: http://www.pwgsc.gc.ca/acquisitions/text/index-e.html
Government of Canada Marketplace (GoCM): http://www.pwgsc.gc.ca/acquisitions/text/esc/gocm-e.html
Office of Small and Medium Enterprise (OSME): http://www.pwgsc.gc.ca/acquisitions/text/sme/sme-e.html
Shared Travel Services Initiative (STSI): http://www.pwgsc.gc.ca/transformation/text/reference/rs-8-e.html
Office of Greening Government Operations: http://www.pwgsc.gc.ca/greening/text/index-e.html
Government On-Line: http://www.pwgsc.gc.ca/gol/text/index-e.html
Receiver General: http://www.pwgsc.gc.ca/recgen/text/home-e.html
Public Accounts of Canada: http://www.pwgsc.gc.ca/recgen/text/pub-acc-e.html
Pension Modernization Project: http://www.pwgsc.gc.ca/compensation/modern/mod-pen-achievements-e.html
Public Service Superannuation Act: http://lois.justice.gc.ca/en/showtdm/cs/P-36
Consulting, Information and Shared Services (CISS): http://www.pwgsc.gc.ca/text/factsheets/cissb-e.html
Feb./07 Auditor General's Report, Chapter 1, Advertising and Public Opinion Research: http://www.oag-bvg.gc.ca/domino/reports.nsf/html/20070201ce.html
Canada Gazette: http://canadagazette.gc.ca/index-e.html
Government of Canada Exhibitions Program: http://pwgsc.gc.ca/ep/text/index-e.html

Annual reports for Public Opinion Research (POR) and Advertising Coordination: http://pwgsc.gc.ca/por/text/rpt05-06-01-e.html, http://www.pwgsc.gc.ca/adv/text/index-e.html
TB Service Policy Framework: http://www.tbs-sct.gc.ca/pubs_pol/sipubs/si_as/pfsi_e.asp
Translation Bureau: http://www.translationbureau.gc.ca/index.php?lang=english&cont=001
Canadian Institute of Chartered Accountants Standards: http://www.cica.ca/index.cfm?ci_id=17150&la_id=1
Language Industry Association: http://www.ailia.ca/tiki-index.php?page=publicHomePage_en
Language Technologies Research Centre: http://www.crtl-ltrc.ca/index_e.htm
Language Nook: http://www.pwgsc.gc.ca/db/text/archives/2004/winter2004/article015-e.html
TERMIUM: http://www.termiumplus.gc.ca/site/accueil_home_e.html
Directory of Terminologists in Canada: http://www.pwgsc.gc.ca/db/text/archives/2007/winter2007/003-word-e.html
Government of Canada Contaminated Sites Action Plan (FCSAP): http://www.tbs-sct.gc.ca/rma/eppi-ibdrp/hrdb-rhbd/fcsaap-paalcf/description_e.asp
Building Owners and Managers Association (BOMA) Go Green Plus: http://www.bomagogreen.com/ggc.html
Leadership in Energy and Environmental Design (LEED): http://www.cagbc.org/building_rating_systems/leed_rating_system.php
Policy on Green Procurement: http://www.tbs-sct.gc.ca/pubs_pol/dcgpubs/ContPolNotices/2006/01_e.asp
Greening Government Operations Guidance for Organizations Developing Sustainable Development Strategies (2007-2009): http://www.pwgsc.gc.ca/greening/text/publications/guidance-sds-e.html
PWGSC Sustainable Development Strategy: http://www.pwgsc.gc.ca/sd-env/text/home-e.html
The Way Forward: http://www.pwgsc.gc.ca/transformation/text/index-e.html
Public Servants Disclosure Protection Act: http://www.parl.gc.ca/common/Bills_ls.asp?Parl=38&Ses=1&ls=C11
Policy on Internal Audit (TB): http://www.tbs-sct.gc.ca/Pubs_pol/dcgpubs/ia-vi/ia-vi_e.asp
Management Accountability Framework (MAF): http://www.tbs-sct.gc.ca/maf-crg/index_e.asp
Hazard Prevention Program Regulation (Canada Labour Code, Part II, Reg. XIX): http://www.hrsdc.gc.ca/en/lp/lo/ohs/publications/hazard-prevention-regs.shtml
PWGSC Official Languages Policy and Official Languages Accountability Framework: http://www.psagency-agencefp.gc.ca/ollo/bp/pwgsc-tpsgc-olaf-crol_e.asp
Government Response to the Eighth Report of the Standing Committee on Public Accounts Entitled "Chapter 7, Acquisition of Leased Office Space of the May 2006 Report of the Auditor General of Canada": http://cmte.parl.gc.ca/cmte/CommitteePublication.aspx?COM=10466&Lang=1&SourceId=173138
Audits and Evaluations: http://www.pwgsc.gc.ca/aeb/text/toc-e.html
Sustainable Development: http://www.pwgsc.gc.ca/sd-env/text/performance-report-e.html
Sustainable Development Strategy 2003: http://www.pwgsc.gc.ca/sd-env/sds2003/strategy/toc-e.html
Procurement and Contracting: http://www.tpsgc-pwgsc.gc.ca/reports/text/dpr_2006-2007/am-pc-e.html
Client-Centred Service: http://www.tpsgc-pwgsc.gc.ca/reports/text/dpr_2006-2007/scc-ccs-e.html
Horizontal Initiatives: http://www.tpsgc-pwgsc.gc.ca/reports/text/dpr_2006-2007/ih-hi-e.html
Storage Tanks: http://www.tpsgc-pwgsc.gc.ca/reports/text/dpr_2006-2007/rs-st-e.html